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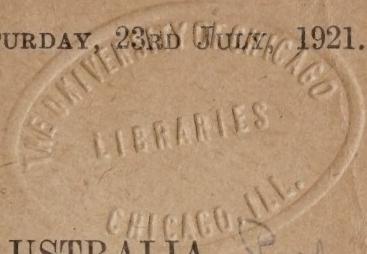
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[ISSUED SATURDAY, 23RD JULY, 1921.]



COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920-21.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.*

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

* From 6th October, 1920.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. <i>Succeeded by</i>
Treasurer	The Honorable W. H. Laird Smith (28th July 1920). The Right Honorable Lord Forrest, P.C., G.C.M.G. <i>Succeeded by</i>
Minister for Defence	The Right Honorable William Alexander Watt, P.C. (27th March, 1918). <i>Succeeded by</i>
Minister for Repatriation	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920). The Honorable George Foster Pearce.
Minister for Works and Railways	The Honorable Edward Davis Millen. The Right Honorable William Alexander Watt, P.C. <i>Succeeded by</i>
Minister for Home and Territories	The Honorable Littleton Ernest Groom (27th March, 1918). The Honorable Patrick McMahon Glynn, K.C.††† <i>Succeeded by</i>
Minister for Trade and Customs	The Honorable Alexander Poynton (4th February, 1920). The Honorable Jens August Jensen.† <i>Succeeded by</i>
Postmaster-General	The Right Honorable William Alexander Watt, P.C. (13th December, 1918). <i>Succeeded by</i>
Minister for Health	The Honorable Walter Massy Greene (17th January, 1919). The Honorable William Webster †† <i>Succeeded by</i>
Vice-President of the Executive Council	The Honorable George Henry Wise (4th February, 1920). The Honorable Walter Massy Greene (10th March, 1921). The Honorable Littleton Ernest Groom. <i>Succeeded by</i>
Honorary Minister	The Honorable Edward John Russell (27th March, 1918). The Honorable Edward John Russell.
Honorary Minister	Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	The Honorable Alexander Poynton.
Honorary Minister	Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	The Honorable George Henry Wise.
Honorary Minister	Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	The Honorable Walter Massy Greene.*
Honorary Minister	Appointed Minister for Trade and Customs, 17th January, 1919.
Honorary Minister	The Honorable Richard Beaumont Orchard.**
Honorary Minister	The Honorable Sir Granville de Laune Ryrie, C.M.G., C.B., V.D.††
Honorary Minister	The Honorable William Henry Laird Smith.†† Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister	The Honorable Arthur Stanislaus Rodgers.***

* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—** Resigned office, 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.—†††† Resignation from office gazetted, 15th June, 1920.—*** Appointed 28th July, 1920.

Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

*Adamson, John, C.B.E. (Q.)	*Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O., V.D. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	*Guthrie, James Francis (V.)
*Benny, Benjamin (S.A.)	*Guthrie, Robert Storie (S.A.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Henderson, George (W.A.)
*Buzacott, Richard (W.A.)	Keating, Hon. John Henry (T.)
*Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D. (N.S.W.)	*Lynch, Patrick Joseph (W.A.)
Crawford, Thomas William (Q.)	Millen, Hon. Edward Davis (N.S.W.)
De Largie, Hon. Hugh (W.A.)	*Millen, John Dunlop (T.)
*Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	1 *Newland, John, C.B.E. (S.A.)
*Duncan, Walter Leslie (N.S.W.)	*Payne, Hon. Herbert James Mockford (T.)
Earle, Hon. John (T.)	2 Pearce, Hon. George Foster (W.A.)
*Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	1 Plain, William (V.)
Fairbairn, George (V.)	Pratten, Herbert Edward (N.S.W.)
Foll, Hattil Spencer (Q.)	Reid, Matthew (Q.)
*Foster, George Matthew (T.)	1 Rowell, James, C.B., V.D. (S.A.)
*Gardiner, Albert (N.S.W.)	*Russell, Hon. Edward John (V.)
*Givens, Hon. Thomas (Q.)	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	5 Vardon, Edward Charles (S.A.)
	*Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919. Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. 4. Deceased reported, 6th April, 1921. 5. Appointed by State Governor in Council, 18th February, 1921. Sworn 6th April, 1921.

* Elected 13th December, 1919. Sworn 1st July, 1920.

Dr. MALONEY.—I desire the names of all such men who draw salaries, their countries of origin, and the amount of each salary.

Mr. HECTOR LAMOND (Illawarra) [10.26].—I desire to bring under the notice of the Postmaster-General (Mr. Wise) the almost indescribable confusion into which business in the Sydney metropolitan area is being thrown by the failure of the Department to supply an efficient telephone service. It was admitted to-day, in reply to a question by the honorable member for Nepean (Mr. Bowden), that there are more than 4,000 applications for telephone connexion with the various metropolitan exchanges in the Sydney area that the Department is unable to supply to-day. That, in itself, is an exceedingly serious matter. It means that 4,000 people, presumably most of them business people, are unable to obtain an adjunct that is necessary to the efficient conduct of their business. Some of these people have been waiting for more than twelve months to secure connexion. One man in one of the suburbs has been waiting for fourteen months for a connexion, and when I made inquiries in his behalf, I was told that it was highly improbable that he would be connected within four or five months from now. We are told that this condition of affairs is entirely due to the circumstances brought about by the war. How far that is true, and how far it is due to the failure of the Government to obtain supplies during war time, are questions in regard to which we could get very interesting evidence if an inquiry were instituted. It is one of the shocking examples of this mis-called policy of economy, that is so popular in Melbourne, and is so much of a handicap to other parts of the Commonwealth in the conduct of the work of the community. We had examples of the practice of economy in the Department in Sydney. The Department wished to purchase a large quantity of telephones and equipment, but the necessary money was refused. Later, when the Postmaster-General wished to spend another £500,000 on the services the amount was struck off the draft Estimates, and the policy was pursued for a number of years during the war of cutting down the Estimates to such an extent that it is now impossible to start a new business in the Sydney metropolitan area in competition with an existing business because of the

handicap placed on the new business by the utter failure of the telephone system. As to provision for the future, when it was proposed to establish an automatic exchange, the departmental officers asked for an exchange capable of dealing with 5,000 subscribers. Here, again, the great Economy party interfered, and cut down the estimate by half. The exchange was started as one capable of handling 2,500 services. I am not quite sure as to the number it is now able to handle, but it is not more than 3,500, and it may be only 3,000. On the day on which the exchange was opened there were more applications for connexion than the exchange could cope with. One would think, in the face of this experience, that immediate steps would be taken to provide for new exchanges. I understand that authority has been given to extend the North exchange to 5,000 wires. If that is so it will take some time to do. At the rate at which buildings are put up under the Federal Public Works Department, it will probably take a couple of years. If the exchange were opened to-day, it would be unable to accommodate a number of people who wish to get connexion with it, but if it is not completed for another year or two there will be another year or two's accumulation of applications. Years ago a site was secured to establish an exchange to be known as South. That block is there to-day, but when some inquiries were made about it recently we were informed that the Department has not yet made up its mind whether it is going to build on that block or not, and apparently nothing is being done to meet the requirements of this rapidly growing city. When I mention that in my electorate the population has almost doubled within ten years, and that the great suburbs outside Sydney are growing so rapidly that even with the greatest forethought their requirements are difficult to meet, one wonders what will be the condition of the metropolis of Sydney within the next four or five years if the policy of half measures is allowed to continue much longer. I hope some effort will be made to get the new exchange started, and many of the suburban exchanges enlarged. There are cases in the metropolis within 5 or 6 miles of Sydney, where if a man moves from one street to another in the same municipality he is kept waiting

thirteen weeks, and frequently he has to wait three or four weeks before he can get his own telephone transferred from one address to another. The whole service on its developmental side appears to have broken down. I hope an effort will be made to put some energy into the officers who are charged with the duty of looking after the future of the city. Nearly £20,000 is waiting to come into the Department for telephone services, and the Department is unable to take the business. The position is deplorable. Unfortunately it is not confined to Sydney, but I speak of Sydney because it is, perhaps, growing more rapidly than any other city, and it is further behind because of the repeated reductions of the expenditure which the officers of the Department have from time to time declared to be necessary. The very men who made the recommendations, not this year or last year, but many years ago, for extended and adequate service, are the men who to-day are being blamed because that service is not there, while the fault lies with those who refused to provide sufficient money to enable the work to be done, and who, when the opportunity is given to purchase material at a reasonable price, decline to provide the money, and subsequently find that other people have been more shrewd and have obtained the material which ought to have been used in the development of the Sydney exchanges. I emphasize the necessity of immediately proceeding with the South exchange, and of considerably accelerating the rate of speed of completion of the North exchange, as well as extending many of the suburban exchanges that to-day are overloaded.

Mr. RYAN (West Sydney) [10.34].—I rise to ask the Acting Prime Minister (Sir Joseph Cook) what the intention of the Government is regarding the order of business for to-morrow and the balance of the week?

Sir JOSEPH COOK.—The Anti-Dumping Bill.

Mr. RYAN.—When are we likely to hear the statement of the Minister (Mr. Rodgers) regarding War Service Homes?

Sir JOSEPH COOK.—I want, at the earliest moment, when the Anti-Dumping Bill is out of the way, to bring down a Supply Bill, and then the Minister will

immediately make his statement on the War Service Homes.

Mr. RYAN.—It would convenience honorable members if the Acting Prime Minister would get on with the contentious matters as soon as possible, and postpone a non-contentious matter like anti-dumping till later. We had an illustration this evening of a member sitting behind the Government holding up his little finger, and the Government crumbling before it. Immediately he spoke everything was adjourned and put off. The threat was held out to the Government that unless they made a statement on the question of Canberra they would be allowed to do no other business. That was a plain threat, and the Government collapsed in front of it.

Sir JOSEPH COOK.—Every honorable member can do what he thinks he ought to do. We cannot stop him. It is a case of "rights, rights, rights."

Mr. RYAN.—I quite understand that, but it is as well for us to know where we are. Some important public works are listed on the notice-paper. There is one in the name of the Postmaster-General for the construction of a trunk telephone line from Brisbane to Sydney.

Mr. WISE.—And another from Sydney to Melbourne, but we were told by a New South Wales member to-night that they would be held up till the Canberra business was settled.

Mr. RYAN.—I should like to see these things gone on with, but at the same time I understand the reasonableness of asking for a definite pronouncement in regard to Canberra. In that respect I am with the honorable member for Illawarra (Mr. Hector Lamond) that a definite statement should be made, without any backing and filling, so that we may know exactly where we are. It is obvious that a Government supporter is of the opinion that the Government behind which he sits is not candid about the matter. Otherwise a method such as has been adopted this evening would never have been taken. It was one of the most drastic steps I have seen taken in my experience of Parliament, and the collapse of the Government was as complete as any collapse I have ever seen. I hope the Government will make some definite pronouncement on Canberra at the earliest moment, so as to save us from the shock of the sudden jerks that we sometimes get

at the time the House is about to adjourn, and so that a large number of the public who are anxious to have a statement on the subject may be satisfied.

Mr. WISE (Gippsland—Postmaster-General) [10.37].—I agree with the complaint of the honorable member for Illawarra (Mr. Hector Lamond) that there are a large number of people throughout Australia waiting for telephonic service. It is useless now to discuss whether it was a wise or unwise policy to starve the Department, as the honorable member phrases it, during the years of the war. We have to deal now with the present situation. I told the House in November last that almost immediately after I took office the Treasurer gave me authority at once to call for tenders for a large amount of works. He gave us about £900,000 last year for those works, and in order that the matter might be expedited, he gave us permission to anticipate this year's vote to the extent of another £900,000, so that we could get the orders out during last year, and they would be coming to hand during the present year. In November of last year we had £1,130,000 worth of orders out. At that time we had orders for 636 miles of cable, 19,354 miles of wire, and 45,628 telephone instruments for all Australia, besides a large quantity of accessories and other material, but none of this could be got for some time. I think the first delivery of telephone instruments under the contract was in May last. They have been coming to hand reasonably well ever since, and the supply is well up to contract time. There are in Sydney and its suburbs about 1,000 subscribers who are only waiting for instruments, and these will be supplied within the next two or three weeks. There are others who are waiting for cable wire and other material, as well as instruments, and their cases will be dealt with as soon as possible. The Department is anxious to have these subscribers, because the telephonic service is a good business proposition; but we cannot make bricks without straw. I explained last year that owing to the great demand for telephonic material in other parts of the world, and in places near to where it is manufactured, none of the tenderers would bind themselves to supply us within any particular time. All we could do was to try to expedite orders as much as possible. Material has been coming to

hand, and during the next few months is likely to come more rapidly. The commercial men of Sydney, Brisbane, and Melbourne have appealed urgently for the erection of an additional trunk telephone line between Sydney and Melbourne, and for a trunk telephone line between Sydney and Brisbane, there being none now. Both proposals were referred to the Public Works Committee for report, and had not the business of the House been held up to-night we would have endeavoured to obtain the necessary parliamentary sanction for them before the House rose, but we were told by the honorable member for Illawarra (Mr. Hector Lamond)—a New South Wales member—that he would oppose all these proposals until he had obtained a satisfactory explanation about Canberra.

Question resolved in the affirmative.

House adjourned at 10.42 p.m.

Senate.

Wednesday, 20 July, 1921.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

WASHINGTON DISARMAMENT CONFERENCE.

Senator BAKHAP.—I ask the Minister representing the Prime Minister if, as perhaps may be expected in the circumstances, the United States of America does not accord separate representation at the Conference or Conferences to be held in Washington to all the individual Dominions of the British Empire, will the Government make a timely request to the Imperial authorities for the inclusion of a representative or representatives of the Commonwealth of Australia in the *personnel* of the British Empire Delegation?

Senator E. D. MILLEN.—The honorable senator will recognise that the question he puts to me without notice is one which can only be answered by a Cabinet pronouncement. If, by putting his question on the notice-paper he will give me an opportunity of consulting my colleagues, I hope later during the week to be able to supply him with an answer.

PAPERS.

The following papers were presented:—
 Defence Act.—Regulations amended.—Statutory Rules 1921, No. 125.
 New Guinea.—Ordinance No. 7 of 1921.—Navigation Act Suspension.

IMPERIAL CONFERENCE.

PUBLICATION OF PROCEEDINGS.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [3.2].—I have here a copy of a cablegram from the Prime Minister (Mr. Hughes) in reference to certain matters that are being discussed elsewhere in connexion with his mission to the Old Country. I do not know whether it is proper for me to lay the paper on the table of the Senate, but I may overcome any difficulty if I am given permission to read it. (*Leave granted.*) The cablegram is as follows:—

Australia has been given all the information which could be given at this juncture. It is well to remind those who ask for information relating to foreign and Imperial policy that useful discussion upon relations with foreign countries, or upon matters of vital importance to Empire—such as defence—would be impossible if conducted on lines suggested. The representatives of various parts of the Empire gathered round the Council table are charged with the grave and responsible duties of serving the interests and securing the security of the Empire as a whole, and of every one of the nations that compose it. They cannot hope to succeed if premature disclosure is made to the whole world—and disclosures to the Parliament must mean this—not only of the policy recommended by the Conference after that has been agreed upon, but of the views of the various members and the arguments advanced for or against any suggested policy.

When the Conference has finished its labours, its recommendations—which are all subject to approval by the respective Governments and ratification by Parliament—will be made available to Parliament. But if the Conference is to give to the various Parliaments of Empire wise and prudent counsel, there must be complete frankness of speech at meetings of the Conference. All the facts must be made available and carefully considered.

It is inevitable that reference must be made to foreign countries. We live in a world of realities. We are the duly chosen counsellors of a very great Empire. Every man represents a great Dominion, which has special interests to protect, a great heritage to develop, particular problems to solve. Every part of the Empire—except, perhaps, Britain herself—depends for its very existence as a free nation upon the power of a united Empire. It would be idle to deny that the Empire has its critics, and its very greatness is in itself sufficient explanation of this.

I need not point out that a great rich continent like Australia, with only 5,500,000 of people, must walk warily and not shout its secrets from the housetops. Other nations do not. At this very moment Lloyd George and De Valera are discussing matter of great moment in secret, and Sir James Craig says that it is right that only the official communiqué should be published.

There is, too, another reason why we cannot and ought not to act as our critics desire. We are members of a Conference, and must be governed by the procedure which that body decides to adopt. It has been decided that information upon certain important matters shall come through one channel, viz., the Secretariat of the Prime Minister of Great Britain. The official communiqué is the only information permitted, except where the Conference otherwise decides. Wherever it has so decided I have made public the very fullest information. Further, I have kept my colleagues supplied with the very fullest confidential reports. What the Conference has done, and is endeavouring to do—everything that has taken definite shape or is in a fair way of doing so—is in your hands.

I stated in most definite and unambiguous terms in Parliament that the Commonwealth would not be committed to any scheme of naval or foreign policy, or involved in any expenditure, by any act of mine, but that all (after explanation by me and full discussion by the Legislature) should be subject to ratification by Parliament. For my attitude in regard to the renewal of the Anglo-Japanese Treaty and American connexion therewith, I refer to my speech dealing with these matters. I hold myself bound by the declarations contained therein.

I was sent here to represent Australia. My views were plainly stated. My instructions from the Legislature perfectly clear. I am trying to uphold the interests of Australia, and do my duty to her and the Empire.

HONORABLE SENATORS.—Hear, hear!

TARIFF BOARD BILL.

SECOND READING.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.7].—I move—

That this Bill be now read a second time.

Judging from statements made in the Senate yesterday, it is probable that there may be differences of opinion about this matter. Let me say that in most public Departments to-day there are matters which do not receive the attention which their importance deserves, merely because it is impossible for a Minister to work continuously without sleeping. There are many matters of administration to which less importance is attached than is their due. But if I

have learned anything from my experience of Ministerial work, it is the necessity for the division of duties, and some delegation of administrative powers, in order that Ministers, who should be giving their best service to the country, should not be overwhelmed by details that are not of sufficient importance to occupy the time of members of the Cabinet. A few years ago the Trade and Customs Department was a comparatively small Department, but to-day it is too big for one human being to attempt to administer, unless he is given assistance in the delegation of duties of a purely administrative character. I do not suggest that any deputy should have the power to deal with matters of policy, but that he should deal with only purely administrative work in order that the Minister in charge of a Department can give his time to the consideration of matters of importance to the State. We propose an oversight of the Tariff. What has been the experience of members of this Chamber and of another place in regard to Tariffs? Nothing affects a country so much as its Customs Tariff, and yet I know of nothing that receives less consideration on the floor of Parliament. I do not suggest, of course, that members do not give of their best to such matters, but it is hardly possible for any individual member of this Parliament to know all the details in connexion with the 600 or 700 items comprised in our Tariff schedule. The Tariff requires to be studied in close detail by some authority specially charged with this duty, which will report to Parliament from time to time through the Minister. It should not be necessary, in a progressive community, to hold up any amendment of a Tariff for an indefinite period. At present, if any amendment is required to any particular item, the whole of the Customs Tariff schedule has to be thrown on the table, and thus a wide field for discussion is opened up. I well remember what happened in connexion with a matter in which I was interested some years ago. We wanted a duty on straw-board, which we can very well manufacture in Australia, but the question of competency to bring that matter before Parliament was raised. The Chairman of Committees ruled in my favour. I mention this because it seems advisable

that it should be possible to secure an amendment of any half-dozen items in a Tariff without bringing the whole of the Act before Parliament for review.

Senator SENIOR.—But correlated items are affected by any alteration of duty.

Senator RUSSELL.—That may be so. The point I wish to emphasize is that as the law stands it is impossible for Parliament to deal promptly with minor alterations.

Through my association with the Board of Trade, I have had some experience of Boards. I know that members of Boards devote a great deal of attention to the matters which come under review by them. A great deal of detailed work is required in connexion with Tariff administration. It will be impossible for the Minister for Trade and Customs to carry out all this work, and therefore the proposal in the Bill is to appoint a Board with well-defined powers to relieve and advise the Minister. The Board will consist of three members, one of whom—who will be its Chairman—will be an administrative officer of the Customs Department. That will be a distinct advantage, because in the Department we have very many excellent officers, men who have had a lifelong experience in Customs administration and are well qualified for the position.

Senator WILSON.—Why not appoint three members of the Board from the Department?

Senator RUSSELL.—Because, in the opinion of the Government, it is advisable to have a blending of departmental and outside business experience.

Senator FAIRBAIRN.—Will the chairman of the Board continue in the employ of the Customs Department?

Senator RUSSELL.—Yes. He will probably have leave of absence for the time during which he may be associated with the Board.

Senator WILSON.—Will not the outside business men also become public servants?

Senator RUSSELL.—No.

Senator WILSON.—Not if they are drawing £5 5s. per sitting?

Senator RUSSELL.—A sitting fee of £5 5s. will not be necessarily an attraction. I do not believe that every man is actuated merely by the amount of money that can be extracted from any particular position. I could get 200 men in

Melbourne to do this work for nothing, and I may point out that members of the Board of Trade, who have given a couple of years' service to this country, frequently go to Sydney and other capital cities, and do not even receive their train fares.

Senator KEATING.—Would these 200 men referred to by the Minister enjoy the confidence of the people of Australia?

Senator RUSSELL.—I think they would. I have a high opinion of public-spirited citizens of this country. I do not think that, speaking generally, their motives would be governed by a sitting fee of £5 5s. The duties of the Board will be largely advisory. At present the Minister is the final court of appeal in matters which, following the appointment of this Board, will be decided by that body. The Board, therefore, will occupy a semi-judicial position, and will be substituted for the Minister in the determination of cases involving the interpretation of the Customs Act in relation to any particular industry. The remuneration of the chairman will be the difference between the amount of his salary at present and £1,400 per annum during his occupancy of the position. If we remember that millions of pounds in Customs duties will be dealt with by the Board, nobody will say that £1,400 is too large a salary for such a responsible position. The other members of the Board, as I have already said, will receive a sitting fee of £5 5s. The Board is not likely to meet more than once a week at the outset. Probably the Board will not need to meet so frequently later on.

Senator WILSON.—Then its members will not know their game.

Senator RUSSELL.—Its members will be required practically to determine questions of high administrative policy.

Senator PRATTEN.—Why abrogate the authority of the Minister?

Senator RUSSELL.—Because the Minister is only a human being, and cannot possibly attend to all these matters. How would the honorable senator like to be immersed all day in Customs disputes?

Senator PRATTEN.—There are officers in the Department to attend to them.

Senator RUSSELL.—But the Minister is the final arbiter in such matters. The members of the proposed Board will really do the "digging" for him, but the decision will still remain with the Minister. Instead of having to conduct the inquiry

himself, the Board will conduct it for him. Thus the authority of the Minister will not be abrogated in any way.

Senator WILSON.—Does the Vice-President of the Executive Council hold that the Department is not competent to deal with these matters now?

Senator RUSSELL.—I do not. As a fact, it does deal with them. But, under existing conditions, the Minister is required to go into the details of cases himself, with the result that to-day he is absent on account of illness. I have no hesitation in saying that Mr. Massy Greene has been doing the work of three or four men. He has been tied to his office practically from daylight till dark. This fact alone evidences the need for extending and decentralizing our present organization.

Senator ELLIOTT.—What will the Minister do when he gets the report of the Board? The Bill provides that he "shall act according to law." But that does not mean very much.

Senator RUSSELL.—Upon the receipt of any report by the Board, the Minister will take any action that may be necessary to correct the breaking of the law. We do not want the Minister to make laws—that is the function of Parliament—but we do desire that he shall administer those laws. Some of our administrative officers have very big responsibilities. Fortunately, most of them are very capable men. The chairman of the proposed Board, with the assistance of a couple of outside business men, would, I think, effect a wonderful improvement in our Customs administration.

Every member of the Board will be required to take an oath or affirmation of allegiance, and will be sworn to secrecy. Another clause of the Bill provides that no witness shall be compelled to disclose in evidence any trade secret. That provision indicates the desire of the Government to protect those who have obtained patent rights.

Senator PRATTEN.—There is no virtue in that clause.

Senator RUSSELL.—It shows that we are attempting to protect the interests of everybody. The Bill further provides that a member of the Board may be suspended in the ordinary way. In cases where men occupy high and independent positions, the Governor-General has power to suspend an officer for misbehaviour or

incapacity, but the Minister has to report the matter to Parliament, which is thus afforded an opportunity of deciding whether that officer's appointment should be cancelled. The meetings of the Board will be convened as required by the chairman. That provision effectually disposes of the idea that, because two of the members of the Board are to receive fees at the rate of £5 5s. per sitting, meetings will be held with unnecessary frequency. For the purpose of transacting business, the Bill provides that two members of the Board shall form a quorum, and that the chairman shall possess a casting as well as a deliberative vote. That is necessary, because we must have finality in these matters.

Senator DUNCAN.—Then, if the chairman and a member of the Board have a row the chairman must win?

Senator RUSSELL.—The chairman will be the "boss" of the Board.

Senator WILSON.—Then, if a difficulty arises between the chairman and the other members of the Board, the former need not call any meeting of the Board.

Senator RUSSELL.—Does the honorable senator think that a chairman would act in that way?

Senator WILSON.—I have been upon Boards where that course has been adopted.

Senator RUSSELL.—I have been upon Government Boards for a number of years, and I have never known of such an occurrence.

Senator WILSON.—I suppose that it is not likely to happen in the case of a Board two of whose members will receive fees at the rate of five guineas per meeting.

Senator GUTHRIE.—The payment is much too small.

Senator RUSSELL.—In my opinion it is. I am quite satisfied that the men whom we can get to fill these positions would be perfectly willing to undertake the duties for nothing. I have a good opinion of the honesty of the people of Australia.

Clause 15 of the Bill provides that—

The Minister shall refer to the Board for inquiry and report the following matters:—

- (a) The classification of goods under all Tariff items which provide for classification under by-laws;
- (b) The determination of the value of goods for duty under section 160 of the Customs Act 1901-20;

(c) Any dispute arising out of the interpretation of any Customs Tariff or Excise Tariff, or the classification of articles in any Tariff, in which an appeal is made to the Minister for the decision of the Comptroller-General.

That is to say, all the ordinary Customs business will be administered by the Comptroller-General. Under existing circumstances, if any dispute arises in connexion with his decision, he has the right to refer it to the Minister. That has been found to impose too heavy a tax upon the latter. The proposed Board will have the power to relieve the Minister of this burden, and the Minister will act upon their reports.

Senator PRATTEN.—Will this clause take away the right of the appellant to go before the High Court?

Senator RUSSELL.—Certainly, not.

Senator PRATTEN.—I think that it will.

Senator RUSSELL.—There is nothing in the clause which will deprive any person of his right of appeal.

Senator PRATTEN.—At present the civil community have a right to appeal to the High Court. Will that right be in any way abrogated by this Bill?

Senator RUSSELL.—No.

Senator PRATTEN.—I fear that it will.

Senator RUSSELL.—I do not think that such a right could be abrogated by a Bill of this character, because the right to approach the Courts of the country is a constitutional one. The clause also provides that the Minister shall refer to the Board for inquiry and report "the necessity for granting bounties for the encouragement of any primary or secondary industry in Australia", also "the effect of existing bounties or of bounties subsequently granted." We have given a few bounties in Australia, and it is time that we had some inquiry into whether they have been effective in their operation, and whether we can assist the development of other industries by the payment of bounties. This would be a very suitable body to inquire into any special cases of that sort.

The Board may also inquire into and report on "any proposal for the application of the British preferential Tariff or the intermediate Tariff to any part of the British Dominions." Under the Customs Tariff Bill we shall have power to establish reciprocal relations, not only under the intermediate column, but

under the British preferential column, with other Dominions within the Empire, but no such reciprocal arrangement will be entered into until it is laid before and indorsed by both Houses of Parliament. There will, therefore, be no interference in that regard with the privileges of the Parliament. I feel that it is a privilege to any man to be permitted, as a member of this or another place, to join in making such agreements, which, I believe, will have the effect of consolidating the British Empire in matters of trade and commerce.

The Board may inquire also into "any complaint that a manufacturer is taking undue advantage of the protection afforded him by the Tariff, and in particular in regard to his charging unnecessarily high prices for his goods." I assume that the taking of unnecessary profits means the operations of the profiteer, whom every one of us has denounced from time to time. I consider that men whose capital is engaged in industries are entitled to a fair return, but where a number of manufacturers combine, not for the good of the community but for the sake of their own pockets, it is the sacred duty of the Parliament and the country to control them.

Senator THOMAS.—Will this Bill prevent that?

Senator RUSSELL.—No; but if the Tariff is helping a man to profiteer it can be reduced under this Bill to a level which will place him in active competition with foreign competitors. That, I think, is the right course to take.

Senator THOMAS.—Do you think it will be done with the assistance of this Bill?

Senator RUSSELL.—I would not be standing here advocating it if I did not think it would be done.

Senator THOMAS.—You have a lot of faith.

Senator RUSSELL.—I have no more faith than most other men. I know the difficulty of stopping profiteering, but any honest member of the community should try to do his best to help to abolish the profiteer, who has been a curse, not only in this but in every other country, for the last six or seven years. It is all very well to say that the remedy proposed by the Government will not be effective, but we are at least trying to do something, and the only alternative to doing something is to allow the profiteer to run riot. If any honorable senator

can suggest an improved method of dealing with the matter, it will be helpful, but merely to sneer at every effort that is made to stop unfair practices, which affect every man, woman, and child in the community, is not helping the Government or helping Australia. We shall welcome original suggestions to achieve what we desire.

The Board can inquire further "into any complaint that a manufacturer is taking undue advantage of the protection afforded him by the Tariff in regard to his acting in restraint of trade to the detriment of the public." The whole country may be prepared to give protection to a manufacturer, and when he has been built up into a strong position by the backing of the community, he should not be allowed, as some suggest, to do absolutely what he likes, unless he keeps on the straight and honest path. The moment he uses the assistance which has been given to him by Parliament and the community, not to help in the development of Australia but to fill his own pockets, irrespective of the morality of his action, it becomes time for the people to exercise some control over the power which they have given him in building up his industry.

It is provided by the Bill that "upon receipt of a report from the Board in pursuance of the provisions of clause 15, the Minister may, if he thinks fit, take action according to law in respect of any of the matters dealt with by the Board in its report." That means that in any action which the Minister takes against any person who has been trying to defeat the object of the Customs Tariff Act, he must act within the law. He is not there to make laws himself. His duty is to administer the laws created by the Parliament. There is, therefore, no likelihood of these powers being abused. Some people may differ from the Minister's interpretation of the law, but I think we ought to give him credit for acting according to good conscience in the administration of his office. It is provided that "the Board shall, in the month of June in each year, report to the Minister generally as to the operation of the Tariff and the development of industries, and shall in such report set out the recommendations made by the Board during the preceding twelve months, other than any recommendations whose inclusion the

Minister and the Board agree is not in the public interest.' That is to say, an investigation may be going on into some secret processes which we do not want to make public.

Clause 19 provides—

For the purposes of this Act any member of the Board may, by writing under his hand, summon any person to attend the Board at a time and place named in the summons and then and there to give evidence and to produce any books, documents, or writings in his custody or control which he is required by the summons to produce.

Under that provision the Board has the right to call any one as a witness, and he has no right to refuse to attend.

Senator THOMAS.—Will the Board's reports be presented to Parliament?

Senator RUSSELL.—Yes, through the Minister. Under the Bill, "any member of the Board may administer an oath to any person appearing as a witness before the Board, whether the witness has been summoned or appears without being summoned, and may examine the witness upon oath." It is of no use for men to be gathered together to consider these matters unless there is some reasonable guarantee of accuracy in regard to the facts. Heavy penalties are provided for disobeying a summons or refusing to give information. These run up to £500. If this country is good enough to put its full weight behind a manufacturer to help him to develop his industry, I think the people should have full power to control him, in the interests both of himself and of Australia, if he attempts to do anything mean or despicable. According to clause 26, "Nothing in this Act shall make it compulsory for any witness before the Board to disclose to the Board any secret process of manufacture." The Board may inspect any documents, books, or writings, and retain them for such reasonable period as it thinks fit, and may make copies of such matter as is relevant to the inquiry, or take extracts from them. A heavy penalty is provided for any person who, knowing that any book, document, or writing is or may be required in evidence before the Board, wilfully destroys it or renders it illegible. Any person who "uses, causes, inflicts, or procures, any violence, punishment, damage, loss, or disadvantage to any person for, or on account of his having appeared as a witness before the Board, or for or on

account of any evidence given by him before the Board," shall be guilty of an indictable offence, punishable by a fine of £500 or imprisonment for one year. The Bill insures that any duress put upon an employee who is called as a witness, or any threat used by any body to cause him to give false evidence, shall be regarded as a very serious offence. The concluding clause provides, in the usual form, that "the Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which, by this Act, are required or permitted to be prescribed, or are necessary or convenient to be prescribed, for giving effect to this Act." I do not think anybody could draft a perfect Customs Act without regulations, as so many matters crop up from time to time.

I hope honorable senators will give serious attention to this Bill. I believe it is essential that the principles embodied in it should be adopted in a Protectionist country like Australia. All we ask for is a fair deal for the people of Australia, and that the power of government shall be exercised for the benefit of the whole of the people of Australia, and not of any particular individuals. I ask honorable senators to give close attention to the various provisions in the Bill, and if some of them do not meet with their approval I ask them to submit reasonable suggestions for carrying out the work of developing the country under a Protective policy, which has been from time to time accepted by the people of the Commonwealth.

Senator PRATTEN (New South Wales) [3.41].—I have listened with keen interest to the second-reading speech of the Vice-President of the Executive Council (Senator Russell) upon this most important Bill. I have also read something concerning the rather stormy proceedings in another place on the Bill, where it appears to have been looked upon with a good deal of disfavour. It has apparently been sent to this Chamber in the spirit of the mule that has no pride in its ancestry and no hope of posterity. It has had some kicks, and it is for us to review the matter in a way that does not appear to have been open by another place.

Senator REID.—That justifies the existence of the Senate.

Senator PRATTEN.—It does. It shows the responsibility of the Senate in connexion with this Bill. It demonstrates that we have individual responsibility, and whatever we do, rightly or wrongly, will affect the whole of the trade and commerce of the Commonwealth. It should not be forgotten by honorable senators that there is an absence of party opposition in the Senate, that with one exception we were elected as loyal Nationalists; but at the same time, we are representatives of the whole of Australia, and we shall have to consider the provisions of this measure from different angles. In a way, the Bill is like the ugly mug which often covers a kind heart. I would like to look at it with a kind heart, although, to me, it is, in parts, almost anathema. I am going to fully and frankly say that some of its provisions are necessary in connexion with departmental administration, because I freely admit that if there is restraint of trade under some of the high duties which we are imposing, there should be some power and authority to deal with delinquents. But I would like to submit to the Senate some of the results of an analysis I have made regarding the incidence of the Bill, and the position in which we are placed in connexion with the trade and commerce of Australia.

It appears that the proposed Board will have to inquire into and settle the administrative duties which are the responsibility of the Minister for Trade and Customs, and will further have to inquire generally into the incidence of duties and bounties new and old. It will also have to investigate questions concerning monopolies operating to the detriment of the public, which may result from the imposition of high duties, and we shall have to see that the consuming public is not taken advantage of in connexion with these duties. I must freely admit that something of that nature is necessary, and must be introduced sooner or later, in connexion with the Tariff; but the proposed Board, in addition to its functions—some of which are purely Ministerial—can dive into and report upon anything else relating to the

primary and secondary industries of Australia. I believe that the measure was framed with a good intention, and I can quite understand that an over-worked Minister for Trade and Customs, particularly after the stress of the last twelve months, desires to be relieved of some of his responsible administrative functions. But that can and should be done in the Department by the capable officers, who also have been hard at work in compiling a fair Tariff for the development of Australian industries. As a representative of the people in this Parliament, I am not prepared to sanction any abrogation of Ministerial responsibility by removing any power to a Board which is not responsible to Parliament.

Senator RUSSELL.—It is not moving the responsibility, because the final decision rests with the Minister.

Senator PRATTEN.—In several directions the responsibility is being moved from the Minister to the Board, and as a representative of the people I desire full control to be retained in the hands of the responsible Minister. One would almost think that our present somewhat defective system of imposing Tariff duties is of a happy-go-lucky nature, and full of discrepancies which may lead to log-rolling; but in view of what has occurred during the last five years I am not able to accept that view.

Let us examine somewhat approximately how Tariff duties are finally arrived at. I believe it is practically twelve years since an exhaustive Tariff debate was conducted in this Parliament. I could not follow the Minister in connexion with his assertion that, in order to alter one or two duties in the Tariff, it is necessary to go through the whole gamut of the schedule.

Senator SENIOR.—It would open it up for discussion.

Senator PRATTEN.—I cannot agree with that interjection, because, during the last Parliament, I well remember that a short Tariff Bill was presented, and no general discussion of items other than those referred to in the Bill was permitted.

Senator SENIOR.—That only shows how generous we were to the Government. We did not take advantage of our opportunity.

Senator PRATTEN.—I am putting before the Senate facts within my knowledge. I say that, during the last Parliament, a Tariff Bill was placed before us, and in its consideration there was no discussion of any item of the Tariff other than the particular items affected by that Bill.

Let us examine what occurs in connexion with the imposition of any Tariff. I will take, as an illustration, what has occurred in connexion with the Tariff we are now about to consider. For years and years most of the secondary industries of Australia have been crying out for increased duties. The matter has been before various Chambers of Manufactures, to my own knowledge, for the last five or six years. In response, the Government of the day referred the whole Tariff question to the Inter-State Commission for inquiry and report to Parliament. Simultaneously certain representations were made by the primary producers, and by every one else who would be affected by the Tariff, and officers of the Trade and Customs Department were also examining the position. Then it was announced by the Prime Minister (Mr. Hughes), in his policy speech before the last election, that the policy of the Government and of the National party would be a policy of Protection for home industries. Chambers of Commerce, Chambers of Manufactures, primary producers' unions, and various associations representing the man on the land, again began to sift the items of the Tariff, and consider them from their own stand-point. I know that the Minister for Trade and Customs (Mr. Greene) and his Department sent out requests for information on this, that, and the other item. Later, as the result practically of five years' consideration, the Prime Minister's promise materialized in the Minister for Trade and Customs placing on the table, in another place, the present Tariff. This was done in March of last year, twelve months before Parliament attempted to deal with the Tariff. Meanwhile, again representations, pro and con, were being made to the Trade and Customs Department by all the various interests concerned, and when the Tariff at last came under discussion, in another place, honorable members were "snowed under" with applications in connexion with practically every item in the Tariff. After a most exhaustive discussion of all the

items and all the interests being represented in another place, we have the Bill before us for consideration.

Senator THOMAS.—All the interests but those of the consumer.

Senator PRATTEN.—We are here to represent the consumer. My honorable colleagues from New South Wales with myself are here to represent, fortunately, or unfortunately, some 1,200,000 electors of New South Wales, and we shall certainly hear of it if we do not try to keep the scales of justice evenly balanced so far as the consumers are concerned.

I have been illustrating the method adopted to impose a Tariff upon the people of Australia, and have arrived at its emergence from another place. In the Senate we have a House of review, and, as the Senate is now constituted, we can certainly look at this matter from a non-party stand-point. Our review need not be complicated by considerations as to whether a vote shall be for or against the Government, or for or against the Opposition in any shape or form. We are absolutely free and unrestricted in our view of the Tariff, and, so far as party is concerned, it is quite immaterial what the Senate does in this matter. Now that the Bill has come to us we, also, are "snowed under" with applications in connexion with Tariff principles and anomalies. We all, I suppose, desire to do our job fairly and equitably as between every section of the community.

Senator BOLTON.—And we are paid £1,000 a year.

Senator PRATTEN.—Yes, and we earn that salary if we do our duty. I hope that we are going to discuss, reasonably, equitably, and at not too great length, every item in the Tariff. When all this occurs before a Tariff Bill is placed on the statute-book, I am not prepared to say that our methods are happy-go-lucky. I do not say that we can ever place an absolutely scientific Tariff upon the statute-book, but I am prepared to say that we will do our best to deal equitably with all the interests concerned. I hope it will not be inferred, in connexion with a Bill such as that now before us, that Parliament cannot do its duty, and requires, in addition to all the deliberations which I have mentioned, to refer to a Board of three to be able to do it.

So much for the present Tariff. So far as I can see, there is no outside Board that we could constitute that will fulfil all the requirements which the Government say must be met, in the supply of necessary information, better than could a Board consisting of inter-departmental experts. I am not prepared to vote for the formation of another Board. In view of the urgent necessity for economy and of the experience we have had, I am not prepared to vote for the creation of another Department. I received through the post the other day a red-covered book, the *Index to Departmental Activities and Commonwealth Publications*. I have been receiving this publication for three or four years as a member of this Parliament. Every number is added to, until to-day the publication consists of over sixty pages, and, so far as the control of many things in the Commonwealth in connexion with trade and industry are concerned, is a perfect maze. I read in this book that, with and without parliamentary authority, we have such things as a Central Coal Board, State Coal Boards, a Commonwealth Board of Trade, a Bureau of Commerce and Industry, an Institute of Science and Industry.—

Senator PEARCE.—The honorable senator is wrong in saying that the Coal Board is without legislative authority. It is established under the Commercial Activities Act passed by this Parliament.

Senator PRATTEN.—I said, "with and without parliamentary authority."

Senator PEARCE.—The honorable senator is wrong if he says that the Coal Board is without authority.

Senator PRATTEN.—I am absolutely correct in the statement I have made. Some of these Boards have been established with, and some without, parliamentary authority. One, at all events, which is without parliamentary authority is the Bureau of Commerce and Industry. There is no Act in existence giving authority for the establishment of that organization. Then we have the Commonwealth Produce Pool Committee, the Commonwealth Flax Industry Committee—

Senator PEARCE.—A Bureau of Science and Industry Bill was passed by this Chamber and by another place.

Senator PRATTEN.—I am surprised at the lack of political information displayed by the Minister for Defence (Senator Pearce). I have referred to the Bureau of Commerce and Industry, not to the Institute of Science and Industry. The Bureau of Commerce and Industry exists without parliamentary authority. I am aware that we have passed a specific measure establishing the Institute of Science and Industry. But there are really so many of these Boards that I am not surprised that my honorable friend should become mixed about them now and again. In addition to the Commonwealth Flax Industry Committee, we have a Department of Public Health.

Senator RUSSELL.—What has the honorable senator against the Flax Committee? It has done very good work.

Senator PRATTEN.—I am not criticising what that Committee has done; but I want to ask honorable senators where we are in connexion with all these Boards, and whether they think we are justified in creating another.

Senator PEARCE.—Good or bad, the honorable senator is against it.

Senator PRATTEN.—I want to say just a word or two about the Department of Public Health. There is no parliamentary authority for its creation. I am sorry that I have not the figures with me at the moment, and will give them at some more convenient opportunity; but, as an illustration of what we are committing ourselves to by consenting to the establishment of new Departments, let me say that honorable senators would be astounded to know the growth of the number of employees, and the amount of public expenditure involved, in connexion with the Department of Public Health, which is a branch of the Trade and Customs Department. I refer to it as an illustration of what the establishment of a new Board means. This new Board was established without parliamentary authority.

Senator PEARCE.—What new Board?

Senator PRATTEN.—The Department of Public Health.

Senator PEARCE.—It has not been established. You have found a mare's nest there.

Senator PRATTEN.—Then why has it been set out in this publication as a new Department? Fortunately two or three proposed new Boards have been stillborn. I have before me the draft memorandum of the Commonwealth Court of Commerce Bill, which I am glad to say was still-born. The Senate has not seen it. Last Parliament we had a Customs Bill designed to interfere very drastically with trade and commerce, but I am glad to say it was dropped. Very shortly we may have before us a Bill for the preservation of industries and dealing with all sorts of complicated matters in connexion with exchange. This will have to be very carefully considered by honorable senators.

I have said that most of the things which it is proposed shall be done by this Tariff Board, this new Department, can as well be done by inter-departmental officers. As a matter of fact this work is being done by them to-day, and I shall not be one to abrogate in the slightest degree the high and responsible position of the Minister for Trade and Customs in this Parliament. If assistance is needed for him, it can better be provided by the appointment of an Assistant Minister rather than by the appointment of a Board to abrogate his responsibilities in this Parliament.

Senator RUSSELL.—Where in the Bill is it proposed to do that? The honorable senator has repeated the statement four times already, and I denied each assertion.

Senator PRATTEN.—I do not think I have made the statement more than twice, and the second time was merely to impress my attitude upon the Minister.

Senator RUSSELL.—I have heard it at least three or four times, and I want you to tell me where it is to be found in the Bill.

Senator PRATTEN.—In clause 15, line 1, "The Minister shall refer to the Board for inquiry and report" various matters that are mentioned.

Senator RUSSELL.—But finish the clause.

Senator PEARCE.—That clause does not abrogate the power of the Minister.

Senator PRATTEN.—All right. I repeat that departmental officers are at present doing the most vital things contemplated to be done by the proposed Board, and that the appointment of an

extra officer, or an Assistant Minister, would meet the situation. There is no necessity to create a new Department.

There are two vital matters in the Bill. I agree that it is necessary to prevent the exploitation of the consumer, and to avoid inflicting any handicaps upon our primary producers. It is for this Senate to determine how best this may be done. I do not think it at all necessary, for the reasons already set out, to call in outside men.

One objection I have to the Bill is that in certain circumstances it may be used as an instrument to harass the whole trade and industry of Australia, possibly, for political purposes. One would think that our people were being perpetually exploited by local manufacturers. So far as my experience goes, the reason largely for the high cost of commodities in recent years may be found in the high cost of imported articles. As Australia is at present constituted, no Tariff Board's recommendations could have any effect upon, for instance, the cost of newspaper, the cost of oils, cotton goods, freights, and many other matters. Because of the extortionate rates that have been charged overseas for these commodities, the cry has gone up that this country is being exploited and that the profiteers should be hanged from the nearest lamp-posts. I agree with that expression, but my experience is that profiteering has largely been done abroad, and I contend that the character of our commercial community should not be besmirched altogether for the sins of people over whom this Parliament has no control. The collection of revenue under the War-time Profits Tax Act has shown us that there has been nothing like the same exploitation of consumers in Australia as in other parts of the world, and we must allow figures to guide us in our search for facts. The estimate of the Department in connexion with this tax was not reached. I think, if we want any illuminating example of general fair play on the part of the commercial community, it may be found in the results of the War-time Profits Tax Act. I should also like to draw the attention of honorable senators to the many State and Federal regulations that have been promulgated for the protection of consumers in this community. We have set up Federal and State Arbitration and Industrial Courts. Last session

we placed upon our statute-book an Act to further help industrial peace in the Commonwealth. We have both Federal and State probate duties and income taxation. In New South Wales we have a Board of Trade in connexion with the establishment of the minimum wage. We have also anti-profiteering Courts, which nobody will admit has had any effect upon prices. We have Wages Boards, and, in connexion with company profits, there is a flat rate of Federal and State taxation of 5s. in the £1 before profits are distributed amongst the shareholders. I use these illustrations to point to the fallacy of believing that by the appointment of a Tariff Board we shall be able to deal with all the matters mentioned in this Bill, and that we are exploiting some new avenue to insure the protection of the consumer. I do not think that any business man is a criminal because he seeks to get 10 per cent. or 12 per cent. profit as a fair return for the investment of his capital and a return for his personal exertion. I may also point out that the man who secures a higher return pays more by way of taxation to the Treasury, and profits, I remind the Senate, are absolutely necessary if we are to have enough revenue to carry on the business of the country.

If this Bill passes its second reading I shall on every occasion in this measure, and in the Customs Tariff Bill also, require from the Minister in charge an explicit assurance that there shall be no abrogation of parliamentary authority, directly or indirectly. I was rather interested in the Minister's statement that the proposed Board was designed for the main purpose of picking up information for the Minister. In other words, that it would occupy the position of the "devil" to the printer. In view of this statement, I see no reason for the creation of another Department. I shall not object to see any machinery established whereby we can be assured that there will be no exploitation by those who are heavily protected, either of the public or of the producer. This is the only portion of the Bill, which, in my opinion, is of any value. Seeing that we have established a Bureau of Commerce, a Commonwealth Board of Trade, an Institute of Science and Industry, and a Flax Committee, I do most earnestly ask the Government to consider—in view of the urgent need which exists for economy

—whether the time has not arrived when all these activities should be amalgamated under this Bill, or we should be given an assurance that, if the measure be passed in, approximately, its present form, some of these activities shall automatically disappear. If we can be assured that we are not going to create a new Department and a further expensive excrescence upon the body politic, we shall, I am sure, consider the Bill in a better frame of mind. If such an assurance be forthcoming I shall reconsider my attitude towards the measure; otherwise, as a representative of the taxpayers of New South Wales, and to some extent of the trade and commerce of that State, it will have my opposition.

Senator FAIRBAIRN (Victoria) [4.25].—The chief argument advanced by the Vice-President of the Executive Council (Senator Russell), in moving the second reading of this Bill, was that, under existing conditions, Ministers are overworked, and I think that we can help them by offering them some advice upon this particular measure. But the first question which presents itself to my mind is, "What is the cause of the extraordinary amount of work which has now to be performed by Ministers?" I think that it is to be found in the continual increase in the number of Departments. Senator Pratten has enumerated a large number of Departments which have been created during the life-time of the present Parliament. Yet I recollect that, prior to the last election, the strong point made by the Prime Minister (Mr. Hughes), in his policy speech at Bendigo, was that the Government intended, as far as possible, to amalgamate Departments. That desire was echoed by Ministerial supporters in both branches of the Legislature. But what Departments have been amalgamated? Within the next eighteen months we shall have again to face the electors, and I doubt not that we shall be asked, "What about your promises to amalgamate Departments?"

Senator PEARCE. — The reply to that question is that the Commonwealth has opened the door, and some of the States have fallen into line with it, whilst others, including Victoria, have refused to do so.

Senator FAIRBAIRN. — I do not think that that reply will hold good. If the Government had devoted as much

time to closing Departments as they have to opening them, the result would have been very different.

Senator EARLE.—What Departments would the honorable senator amalgamate?

Senator FAIRBAIRN.—The Taxation Departments, Federal and State.

Senator EARLE.—Every effort has been made in that direction.

Senator FAIRBAIRN.—I will guarantee that, if the honorable senator were interested in a private concern, he would insist upon its directors meeting every week, in order to insure that something should be done. About a year ago I suggested that this matter should be referred to the Public Accounts Committee, and that that body should keep on badgering the States until an amalgamation of certain Departments was effected. A meeting of State Premiers once in twelve months will not accomplish anything. A great deal more energy ought to have been infused into this matter. Instead of that, a meeting was called of Premiers, who indulged in a lot of junketing, and then an epidemic of influenza came along, with the result that a special train had to be hastily requisitioned to convey the Premier of New South Wales back to his own State.

Senator PEARCE.—We have been continually bombarding the States in regard to the amalgamation, not only of the Taxation Departments, but also the Electoral Departments.

Senator FAIRBAIRN.—I dread to think what will happen to us all when we meet the electors at the end of next year.

Senator DE LARGIE.—Why cannot the honorable senator move his own State Government?

Senator FAIRBAIRN.—Senator de Largie represents a distant State, otherwise he would know that one of the first measures upon the programme of the Victorian Government is a Bill to amalgamate some of these Departments. I repeat that it is the creation of new Departments which is causing Ministers such an extraordinary amount of additional work. I fail to see why the administrative work of the Customs Department cannot be carried on as it has been carried on by the Department itself. I know that the Minister in charge of that Department (Mr.

Greene) has been overworked; but, under this Bill, instead of being relieved, his position will be rendered still more intolerable. I admire the heads of our Departments very much indeed. Every one of them is so enthusiastic about his own Department that he could expend the whole of the Commonwealth revenue upon it with the greatest possible ease. Instead of the Minister finding relief from the creation of the proposed Tariff Board, he will be pushed by an enthusiastic officer into doing this thing and that, with the result that in the very near future we shall be faced with an additional expenditure of thousands of pounds annually. To my mind, it would be far better if officers in the Customs Department itself were appointed to carefully watch the various matters which are dealt with in this Bill. When I was a new member of the Commonwealth Parliament, and the first Tariff was submitted for its consideration, I was of opinion that there should have been an inquiry into the matter beforehand. To-day I know that that inquiry has been made, and that very few amendments are ordinarily made in the Tariff proposals of any Government. How many changes were effected in the present Tariff by another place? Very few indeed.

Senator GUTHRIE.—The Tariff is full of anomalies.

Senator FAIRBAIRN.—Doubtless, we shall hear of them as we proceed to consider its various items; and the honorable senator will be surprised to discover how few of those anomalies he will be able to remedy. We shall not rectify 5 per cent. of them.

Senator PEARCE.—The honorable senator may be interested to know that in 429 items of the Tariff 129 changes were effected in another place.

Senator THOMAS.—That is not a very great compliment to the Minister for Trade and Customs and his staff.

Senator FAIRBAIRN.—I am afraid that the Minister for Defence (Senator Pearce) has fallen out of the frying-pan into the fire. Many of the alterations that were made in the Tariff by another place were of the most trivial character. The Tariff, I repeat, had been thoroughly

inquired into by the Customs Department before it was presented to Parliament. Early in the Federation, a Royal Commission, of which Sir John Quick was the chairman, submitted the first Tariff to the most careful scrutiny. Since then the Inter-State Commission has exhaustively examined it. But how much attention has been given to the recommendations of that body? Very few honorable senators have ever read those recommendations.

Senator CRAWFORD.—The industrial situation has undergone a complete change since then.

Senator FAIRBAIRN.—The honorable senator, I am sure, shares my opinion that when the Government bring down a Tariff they usually carry nearly the whole of their proposals. A few small anomalies are adjusted, but generally there is very little difference. The idea that the new Board, which will be the third body of inquiry, is going to solve the unsolvable, and do away with all difficulties, is absurd. We are told that it is going to bring the most splendid information before members, but this will be put in such a voluminous form that it will be impossible for any member to read it. In practice, reports of this sort do not affect any member's opinion. Members form their own opinions, mostly on party lines, and vote accordingly. I do not think the country is going to get any help at all, in the direction of having a scientific Tariff, from the appointment of a Board of this sort. In any case a Board could act perfectly well in the Department itself. The duties to be performed by the Tariff Board are set out, but I cannot see what relief the Minister is likely to get from its appointment. He will have another head of a Department to deal with, with his spending capacity, and will really have far more work to do. I cannot see how the reference by him to the Board of any of the matters enumerated here is going to relieve him of any responsibility. He will still be responsible for acting or not acting, and the matter will have to be brought before Parliament. The Minister in charge of the Bill (Senator Russell) said that he once tried to have an anomaly rectified, and that it took three days to settle whether or not the Standing

Orders permitted of one item being brought forward. Like Senator Pratten, I do not thoroughly understand whether it is possible to bring forward one item without opening the whole Tariff. If an anomaly was reported to the Minister by the Board, the Minister might well bring it before Parliament as a single item. I do not see why that could not be done.

Senator CRAWFORD.—If that is the position, this Bill does not seem to alter it.

Senator FAIRBAIRN.—It does not seem to alter it in any way. So far as I can read the Bill, there is no alteration in the responsibility of the Minister and Parliament to have the final say. It only shifts the responsibility of the Department on to the new Board, and with my experience of Boards I do not think we are going to gain anything by that. All we shall do is to increase the expenditure and swell the number of public servants. I should like to put the matter from the point of view of the public servants themselves. In my opinion, we are getting very nearly top-heavy so far as the Government of this country is concerned. We are getting so many Boards and so many public servants that in the interests of the public servants themselves it will be the greatest cruelty to appoint many more of them. I have seen two *débâcles* in that direction, and do not want to see any more. I notice that there is one going on in Queensland now. That is what happens when we continuously appoint fresh public servants to fill positions. We have to get rid of the old ones, who have given their lives to the service of their country. We have to penalize them by suddenly telling them that there is no money to employ them further. Then they are "shot" out into the cold world to seek for a living. No man over the age of forty, as many of them would be, is competent to make a fresh start in life. It is therefore in the interests of the public servants themselves that I always take up the attitude of opposition to increasing the number of Boards and increasing the amount of employment in the Government Service. In my opinion, we have bitten off as much as we can chew in that direction. All the matters dealt with in this Bill can be managed perfectly well

by such a Board, as I suggest, in the Department itself. The Minister, in his second-reading speech, asked for suggestions, and I make that honest recommendation to the Government for their adoption, instead of creating a fresh Department, with all its paraphernalia, with fresh offices to be rented, and messengers, typewriters, and goodness knows what else to be paid for.

Senator REID.—Do you think that the Customs Department has any one capable of dealing with many of the business questions that will arise?

Senator FAIRBAIRN.—I should think so. There must be many men of very great experience in the Customs Department. I have met some of them, and look upon them as quite competent to do any work in connexion with their Department. I think they are excellent officers, who, on the whole, are doing their duty very well. They are always perfectly reasonable when I go to see them. They treat me courteously, and explain the Department's point of view. I cannot see why the Minister for Trade and Customs could not let it be known that to Mr. So-and-so had been assigned the special duties of dealing with these various points, and that people must not bring such details before the Minister. I believe that already a good deal of business is taken direct to the departmental heads. The Minister in charge of the Bill said that some mistakes had been made in the Department. All human beings are liable to err. Is the new Board going to make no mistakes? I think it is liable to make even more than the Department. It is wonderful how few mistakes are made in many of our Government Departments—except the Income Tax Department, which is always making mistakes so far as I am concerned.

Another reason why I object to the Bill is that it perpetuates price-fixing.

Senator GUTHRIE.—Is not the object to stop profiteering?

Senator FAIRBAIRN.—That is the object, and it is a very fine one, but the Board will have to do something. They will probably say, "This man is reported to be making an undue profit. Let us have a look into his business." Then they will call evidence and conduct an inquiry. Cannot that be done perfectly well by the Department? Is the work being done by

Mr. Beeby, in New South Wales, so satisfactory to the Nationalists? It seems to suit the Labour party; but I noticed lately that his decision on one matter deprived Sydney of milk altogether. He held that the dairymen, who conduct one of the primary industries, were making too big profits, and directed them to charge less, whereupon the dairymen said, "Very well, we will send our milk to the butter factories," with the result that Sydney had to go without milk for a time.

Senator THOMAS.—Then he lowered the price of butter.

Senator FAIRBAIRN.—Not being personally interested, I did not quite follow what the end of it was, but there was a terrible turmoil; and I do not think anybody get milk cheaper in the end. We had a Price-fixing Commission in Victoria, with Sir James McCay at the head of it. It looked into a great many industries, and then the Government, thinking that it had gone far enough to placate the public, and that the public were tired of it, dropped it. Here we are going to have a fresh Board placed over every industry. I think it will meet with exactly the same fate as the other price-fixing ventures. It will be always there to harass people. There is hardly a single man in trade who is not called a profiteer, and accused of making far more than a fair profit.

Another reason why I am very much afraid of this Bill is that it will be a continual restraint on trade. People are having quite enough to do now to carry on and pay wages, and if they are continually harassed, and their attention taken off their everyday business and switched on to having to appear before the new Tariff Board, they will not be able to give to their businesses the time and attention which they ought to give, and employment will decrease. We ought to do everything we can at present to increase employment. The Board will be continually harassing people, looking into their affairs, and finding, as the Victorian Price Fixing Commission found, nothing but mares' nests. The total amount of money which the Government obtained from the war-time profits tax was only £2,000,000. Therefore, only £2,000,000 more was made by people during the war than had been made before, which shows that there was not a great deal of profiteering going on.

Senator PAYNE.—The receipts from the tax were £2,000,000; but that sum does not represent the extra profits made.

Senator FAIRBAIRN.—It represented 75 per cent. of them, so that the total extra profits would not be £3,000,000.

Senator EARLE.—That was made with nearly 400,000 of our men at the Front.

Senator FAIRBAIRN.—Yes. When we compare those figures with Great Britain, where enormous profits were made, and something like £300,000,000 was received by the Government in the shape of excess profits taxation, I do not think we had very much to complain of in that direction during the war.

Senator ROWELL.—Most of that was made out of two lines of business.

Senator FAIRBAIRN.—Yes, particularly shipping, and the people of Australia had to pay a good deal of it. There was not much profiteering done by local people, but a great deal was done by outside people who shipped goods to us, as Senator Pratten has already pointed out.

This Bill was dealt with in another place by a tired House; but we are fresh and well, and able to look into it properly. Honorable senators, I am sure, have a fellow-feeling for other members of Parliament, and I am dreading what is going to happen to members when they go before their constituents at the end of next year. The average elector, who is fairly intelligent, when you get before him, will ask very pertinent, and possibly impertinent, questions. He will want to know what members have done to curtail expenditure. Members will reply, "We have appointed numbers of Boards, and have carried on with a free sail, and done splendidly. Look how our expenditure has gone up." But I am afraid that sort of answer will not satisfy the electors. Without doubt, people are absolutely alarmed at the way expenditure has risen, and continues to rise. Our responsibility is to the electors, and we must consider how we are going to face them. We must have something better to put before them than what we have done. We shall have to show the electors, if we desire to be returned, that we have made an honest attempt to curtail expenditure. I am afraid the continual increasing of Departments and the appointment of additional Boards will do the Public Service a great harm, because

at present it is becoming top heavy, and the appointment of additional public servants will eventually be to their detriment. I have lodged my protest, and I feel sure that nothing could undermine the position of the Government more than following the practice of appointing Boards to do the work which should be performed in Government Departments.

Senator EARLE (Tasmania) [4.51].—I welcome the introduction of this measure, because I believe it is an earnest attempt on the part of the Government to make Protection thoroughly effective. I believe I suggested in a previous speech on a similar subject that the difference between Free Trade and Protection that does not protect the people was as great as the difference between Tweedledee and Tweedledum. At present there is no control over the prices charged for goods after they have left the manufacturer, and, consequently, consumers have to pay exorbitant prices, particularly when there is absence of competition from the outside world. Although under a Protective policy some people may handle more money, the purchasing power has become so depreciated that they would be just as well off under a policy of Free Trade. I agree with Senator Fairbairn in his desire to see economy exercised in connexion with governmental functions, but at the same time it is false economy to neglect the interests of the people of Australia in an endeavour to reduce expenditure. I admit that a great deal might be done to reduce expenditure by amalgamating certain Commonwealth and State activities; but the honorable senator must not lose sight of the fact that up to the present efforts to bring about that amalgamation have failed. In Tasmania the Federal and State Electoral Departments have amalgamated, and the Commonwealth electoral roll is now used for State elections, thereby effecting economy and increasing the efficiency of the Department. Senator Pratten delivered a characteristic speech; and if one were to take up *Hansard* and read his utterances, it would appear that the honorable senator is in favour of everything under the blue sky, because he applauded the statement that the profiteer should be hanged to the nearest lamp-post, and then criticised this Bill—which is the first effort of the Government to prevent profiteering—by saying that it was absolutely anathema to him. The Government have

made an earnest effort to prevent profiteering, and I feel sure that any suggestions submitted will be carefully considered by the Minister (Senator Russell).

It has been contended that the Customs Department already possesses the power necessary to carry out the functions to be exercised by the proposed Board; but I am not of that opinion. The Board, when constituted, will possess all the powers of a Royal Commission, and may investigate the questions specified in the measure in connexion with overcharges on manufactured goods, matters relating to errors in invoices, and questions generally affecting our industrial and commercial activities. The Board will have power to summon and fully protect witnesses, and do everything necessary to secure the fullest information to place before the Minister for Trade and Customs in order that he may invoke the intervention of Parliament. That is very important, and I say most emphatically that unless we do something to prevent the consumer being exploited by those who are benefiting by the imposition of high Customs duties, our Protective policy will be valueless. If it protects only a few while the great multitude have to pay, it will fail.

Senator THOMAS.—It has failed.

Senator EARLE.—If we are not going to protect the consumer, the honorable senator's theory is correct. If we are to have unrestricted Protection, without any qualifying effort to guard the interests of the consumer, we may as well operate under a policy of Free Trade.

Senator DRAKE-BROCKMAN.—When an inquiry is made, who can take action, and what action?

Senator EARLE.—It will be the duty of the Government to take the necessary action by invoking Parliament.

Senator DRAKE-BROCKMAN.—To do what?

Senator EARLE.—To rescind duties. If that can be done, manufacturers charging excessive prices will know that the time in which they can exploit the people is limited.

I do not wish to speak at length upon this measure, but desire to direct attention to one or two amendments which I shall move when the Bill is in Committee. Clause 8 provides that the chairman of the Board shall be an officer of the Cus-

toms Department, and shall receive a salary, inclusive of his present salary, not exceeding £1,400. I think that provision is likely to retard the selection, and it would be better to fix the sum to be payable to the chairman. There may be a highly-paid officer in the Department who may not have the judicial knowledge to enable him to prosecute these inquiries. A suitable officer may not be receiving more than £600 a year, and it would be necessary to increase his salary to £1,400.

Senator PAYNE.—The Bill provides for a salary not exceeding £1,400.

Senator EARLE.—As the Bill provides for a maximum of £1,400, it is more than likely that that will be the salary the chairman will receive. Although an officer in that Department may be receiving a fairly high salary, he may not possess the judicial knowledge necessary for obtaining and sifting the evidence which will be presented to the Board.

I shall also move that the casting vote of the chairman be dispensed with, as I consider it unnecessary.

Senator REID.—What would be the position if only two members are present?

Senator EARLE.—Nothing could be accomplished unless we give the chairman two votes, and if we did that, there would be no necessity for the second member to be present. When three members are present, there would not be a dead-lock, and the casting vote of the chairman would not be required. In the event of two members failing to agree, the question should be resolved in the negative; because if we were to give the chairman two votes when only two were present, it would be ridiculous for the chairman to sit with another member. When the clause is under consideration, I shall move that certain words after "vote" be left out.

I shall also move to insert in paragraph h of clause 15 the words "failing to prevent unnecessarily high prices being charged to the consumer for goods manufactured by him or".

Senator DUNCAN.—That will have the effect of increasing manufacturer's costs.

Senator EARLE.—It will not. At present the manufacturer's direct interest ends with the departure of goods from his factory, and although he may be willing to dispose of his product at a reasonable price, he has no control over the retailer. I intend to move an amendment

which will compel him to see that his distributors also charge reasonable prices, as it would be unreasonable to allow an unscrupulous retailer to defeat the objects of the Bill. I want to make it incumbent on the manufacturer in selecting his distributors to see that the goods are retailed at a reasonable price.

Senator RUSSELL.—Does the honorable senator not think that sub-paragraph i of paragraph h meets that difficulty?

Senator EARLE.—The sub-paragraph to which the Minister refers reads—

Charging unnecessarily high prices for his goods.

But I remind the honorable senator that that applies to the manufacturer and not to Flinders-lane distributors of his goods.

Senator RUSSELL.—We have no general industrial power. The power embodied in this Bill is contained in our Customs power, but, outside that power, I do not think we have authority to deal with these matters.

Senator EARLE.—I am open to conviction, but it appears to me that it is as easy, under our Constitution, to insist upon a condition being entered into by a manufacturer that his agent, the distributor of his goods, shall sell the goods at a reasonable price, as it is to provide that the manufacturer must himself sell his goods at a reasonable price under penalty of a withdrawal of the protection afforded him by the Tariff. I mention these proposed amendments in order that the Minister and honorable senators may give them some consideration before they are submitted. Unless we include in this Bill some such provision as that to which I have last referred, I feel convinced that, although we compel the manufacturer to sell his goods at a reasonable price, our effort to protect the consumer will be frustrated by some distributor of the manufactured goods charging exorbitant prices for them. I do not think that the constitutional difficulty arises, because it is not a question of a direct penalty being inflicted. The penalty proposed is the withdrawal of protection which the manufacturer is given under the Tariff.

Senator REID.—The retailer has nothing to do with the Protective Tariff.

Senator EARLE.—I am referring not to the retailer, but to the Flinders-lane merchant, who obtains the goods from the manufacturer at a reasonable price

and then charges an exorbitant price for them. If the manufacturer charges the Flinders-lane merchant a reasonable price for his goods, then, so far as this Bill is concerned, that ends the matter. The difficulty is that the Flinders-lane merchant may charge the persons to whom he sells the goods 100 per cent. more than he has been charged by the manufacturer.

Senator PAYNE.—The honorable senator must follow up the matter to the retailer of the goods.

Senator EARLE.—We can be practical, and it is not necessary, in my opinion, to follow woollen goods, for instance, to the extent of considering the prices charged by the tailor for making them into garments. There will be sufficient competition among the little men to insure to the consumer a fair deal. But, where it is a question of the handling of goods in bulk by two or three Flinders-lane merchants, there might easily be an honorable understanding between them to avoid competition with each other, and to charge extortionate prices for the goods of the manufacturer which they distribute.

I am whole-heartedly in favour of this effort on the part of the Government. I hope that no attempt to make it more effective will be rejected on the plea of novelty, or that amendments proposed are not wholly relevant to the principles of the measure. I hope that the Government will be prepared to do all that is necessary to convince the people of Australia that this Parliament, while assisting local industries in order to make Australia a self-contained and manufacturing country, will, at the same time, take effective means to prevent the exploitation of the people.

Senator BENNY (South Australia) [5.12].—There are four leading features in this Bill. 1. We are to have a new Board. 2. It is going to be a very expensive Board. 3. It is to be quite powerless, except to inquire into and report upon certain matters. 4. After it has gone to the expense and trouble of inquiring and reporting, the Minister may, if he thinks fit, throw its report into the waste-paper basket. Those are the leading features of this measure. I do not object to the appointment of a Tariff Board. I think that a Board should be appointed to feel the pulse of industry and to regulate the protective incidence of the Tariff.

Senator RUSSELL.—If the Minister agrees with a report of the Board, why should it be sent on to Parliament?

Senator BENNY.—So far as we unfortunate members of Parliament are concerned, a report from the Board under this Bill may be laid on the table, but we shall have no chance to deal with it. If the Minister prefers to ignore a report of the Board, he may lay it on the table, but honorable senators will have no opportunity to consider it.

Senator RUSSELL.—If John Brown appeals against his classification, and the Minister agrees with the report of the Board upon his appeal, why should that be brought before the notice of Parliament?

Senator BENNY.—I do not say that it should, but if the Minister does not agree with a report of the proposed Board, he will put it in the waste-paper basket, and that will be the end of it. It might lie on the table of the Senate for a month of Sundays, and we should have no opportunity to deal with it.

I think that we should have a Tariff Board of some kind, and I suggest that as members of this Parliament are paid £1,000 per year, and as the operation of the Tariff is a matter which should come under the purview of Parliament, just as we have already a Parliamentary Standing Committee on Public Works, and a Public Accounts Committee, so we might have a Customs Tariff Committee formed of members of both Houses of this Parliament.

I see that the chairman of the proposed Board is to be paid £1,400 per year, and that each member of the Board is to receive £5 5s. per sitting.

Senator DUNCAN.—That might mean more than £1,400 a year.

Senator BENNY.—It might mean a great deal more. I find that clause 17 provides that—

The Board may, on its own initiative, inquire into and report on any of the matters referred to in sub-section 2 of section 15 of this Act.

The Board may sit day and night. If the members are to earn £5 5s. per sitting, it may hold continuous sittings, and it is difficult to estimate what the expenditure involved would be.

I object to the Bill because I think that members of this Parliament should form the Tariff Board. The Board proposed by the Government will be power-

less, except to inquire and report. Under clause 15 the Minister is empowered to refer to the Board for inquiry and report a number of very important matters.

Senator RUSSELL.—There was a proposal in another place for the appointment of a Committee of members of both Houses of the Parliament to deal with reports from the proposed Board.

Senator BENNY.—Why, then, should this Board be appointed at all? Why should we duplicate the work? Why should not the proposed Joint Parliamentary Committee do the whole of the work?

Senator RUSSELL.—Because of the immense scope of the inquiries. We need experts to do the "digging." No Parliamentary Committee would do it.

Senator BENNY.—It will not be contended that the members of the proposed Board will be competent of themselves to decide the incidence of the Tariff in respect of every particular item. What they would do would be to collect evidence. Having satisfied themselves as to the weight of the evidence given to them upon a certain matter, they would come to a conclusion, and make a report. A Joint Committee of members of both Houses of this Parliament could do the same. It could examine the same witnesses, and, I hope, exercise equal sagacity and intelligence in arriving at a conclusion upon the evidence, and it could make a report.

The vital defect of the Bill is that, after the proposed Board has made a report, the Minister may, if he thinks fit, take no notice of it. I hope that the Vice-President of the Executive Council (Senator Russell) will consider the objections I have urged against the Government proposal, and will see if he cannot devise some means by which members of both Houses of this Parliament may form a Tariff Board, make inquiries, and report. We should then make it compulsory upon the Minister to take a little more notice of the report than is provided for in this Bill.

Senator GUTHRIE (Victoria) [5.16].—I shall address myself very briefly to this Bill. I think that most of the objects it is intended to achieve are very praiseworthy. We should, however, have learned by this time the urgent need of economy. I frankly confess that I dread

any further public expenditure. I am very strongly in favour of economy, and I am, therefore, very diffident about the creation of any more Boards. At the same time, I think it right to remind honorable senators that when we went before the electors we promised to stop profiteering, and I fear that, up to the present, we have not done very much in that regard.

The Tariff will give extraordinary protection to manufacturers, many of whom have been long established in Australia under a high Protective Tariff, and are millionaires, or on the way to be millionaires. The Tariff we have now under consideration proposes to spoon-feed them, but it starves producers and consumers. We are proposing a tremendous amount of protection for manufacturers, and are thus encouraging further centralization of population, whilst we are giving no protection to consumers. Under paragraph *h* of clause 15, the Bill provides that the Minister can refer to the Board for inquiry and report—

Any complaint that a manufacturer is taking undue advantage of the protection afforded by the Tariff, and in particular in regard to his—

- (i) charging unnecessarily high prices for his goods; or
- (ii) acting in restraint of trade to the detriment of the public; or
- (iii) acting in a manner which results in unnecessarily high prices being charged to the consumer for his goods; or
- (iv) refusing to sell to any person goods to the value of Fifty pounds at current market rates.

Whatever proposal is submitted, there can be no question that provision to deal with these matters is absolutely necessary for the protection of the public of Australia. We have seen lately that, under a high Protective Tariff, the prices charged to the people for clothing have been unnecessarily high.

Senator RUSSELL.—Let me put this to the honorable senator: Take the Bawra Committee, which is probably one of the brainiest Boards in Australia, would the honorable senator advocate that its responsibility should be carried by one man? That would lead to a riot amongst those concerned.

Senator GUTHRIE.—I wish to support the formation of some Tariff Board. It may be that the Government proposal is the best for the purpose. One honor-

able senator mentioned that the Tariff Board might be formed of members of both Houses of this Parliament. I cannot think that that would be efficacious, because however good a member of this Parliament might be, and however honest in his convictions, he might be biased by his Tariff views, and, to some extent, by the trades carried on in his own constituency.

Nothing has been said about the high prices charged for woollen goods in this country. Tweed, which cost 5s. and 6s. per yard, has been sold to the public at 27s. 6d. and 35s. per yard. Manufacturers, of course, do not get the whole of this profit. They sell their stuff to the "Lane" firms at 12s. 6d. per yard, and the "Lane" charge the retailers from 27s. 6d. to 35s. Is that fair trading?

Senator ELLIOTT.—This Bill will not touch that class of trading.

Senator GUTHRIE.—Perhaps not; but it contains provision to prevent manufacturers from making undue profits. I admit that it ought to go further, but so far as it goes it will do good. A penalty is provided for a manufacturer who refuses to sell any retailer goods to the value of £50. I can give honorable senators a concrete instance of present-day methods. In my own town, Geelong, which is a very large wool manufacturing centre, the manufacturers produce some of the best tweeds in the world, at a cost of only 4s. 6d. per yard; but retail shops within half-a-mile of the mills are unable to obtain the material. They must make application to Flinders-lane. The stuff is carted past their doors every day of the week, is shipped by steamer to Flinders-lane firms, and is then sent back to Geelong by another steamer before it can get into the retail shops for sale to the general public at 27s. 6d. per yard. The shopkeepers are not altogether to blame. The big profits on Australian-made goods are being made by Flinders-lane firms. I am well aware that the "Lane" people are not having a very good run at present. As a matter of fact, they are losing very heavily. They deserve to lose, too, because of their absolute lack of business foresight. They ordered stuff from the Old Country, and, because, during the war period they could never get the full supply of orders, it became the custom of firms here to order three times the quantity required. Their

contracts contained a clause enabling the British manufacturers to deliver when they liked. It now suits the British manufacturers to deliver, and they are completing orders, with the result that these firms now have to pay for stuff which, as it happens, was bought at the very worst time. What is more, they are getting three times the quantity they actually require. To use a colloquialism, they are now getting it "in the neck," because they were over-greedy. The retailers in this country have good cause for complaint against the woollen manufacturing concerns. I was interested in the case of a returned soldier who was anxious to start in business as a draper in Geelong. I advanced him £200, and said to him, "Go down to the manufacturers and buy what stuff you want." He went down, and tendered the £200, but the manufacturers would not sell to him stuff which was costing them only 4s. 6d. per yard to produce. This man had to go to Flinders-lane and pay 27s. 6d. a yard for it. For the reason that it will compel the manufacturers to sell direct to the retailers, the Bill, in my opinion, is worthy of support.

I do not think the payment of £5 5s. per day as a sitting fee is sufficient for the business men who may be appointed to the Board. I agree with Senator Russell's view-point, that many honorable and loyal citizens would give their services for nothing, as they did during the war. But I do not think we can expect to get the best brains of the business community to assist the chairman of the Board for £5 5s. per sitting. I doubt very much whether that is sufficient, and I deprecate the suggestion made by some honorable senators that business men of that calibre required for such a post would sit every day merely for the purpose of getting their fees, which, after all, would be a paltry salary compared with what such men could earn in their businesses. Although urging the necessity for economy, I support the Bill, because I see in it so much that is good and because I realize that at last the consumers of this country are going to get some measure of protection which hitherto has been given almost entirely to the manufacturing interests.

Senator JOHN D. MILLEN (Tasmania) [5.26].—I intend to vote against the Bill for two reasons. I shall oppose it, first, for reasons of economy; and,

secondly, because the scheme has been already tried under the Inter-State Commission. I believe that if this new Department is created it will be a hopeless failure. In sub-clause 2 of clause 15 the Bill provides that the Minister may refer to the Board for inquiry and report the following, among other matters:

- (a) The general effect of the working of the Customs Tariff and the Excise Tariff in relation to the primary and secondary industries of the Commonwealth.

If honorable senators will turn to the Inter-State Commission Act of 1912, section 16, they will find that the Inter-State Commission was also charged with the duty of inquiring into and reporting upon, among other matters—

The effect and operation of any Tariff Act or other legislation of the Commonwealth in regard to revenue, Australian manufactures and industry, and trade generally.

In the Bill there is provision for the Board to inquire into—

The incidence between the rates of duty on raw materials and on finished or partly finished products.

The same authority was delegated to the Inter-State Commission in the Inter-State Commission Act, in paragraph *e*, "Prices of commodities," of section 16, already referred to. The Bill further provides that the Board may inquire into—

Any other matter in any way affecting the encouragement of primary or secondary industries in relation to the Tariff.

This range of inquiry, I find, was covered in paragraph *b* of section 16 of the Inter-State Commission Act in these words—

The encouragement, improvement, and extension of Australian industries and manufactures. Is not this the position? Will not Parliament, by creating these Boards, abrogate the rights of Parliament? Let me give honorable senators an instance. We appointed a Basic Wage Commission, which actually forced Parliament to take certain action. I say that Parliament is the proper authority to do this. We are sent here to deal with certain specific matters, including those mentioned in clause 15 of this Bill. We have created so many Boards that the people are utterly sick of them, and there is a strong demand for economy which should be respected by this Parliament. This proposed Board, in my opinion, will cost the country £10,000 a year. It is utterly impossible to expect two or three people

to come together as a Board without creating a new Department in the very near future. The Inter-State Commission was actively inquiring into all these matters for many years, and it proved a great failure. I have never been able to see what value the country got from the deliberations of that body, which cost us a tremendous sum of money, and, if we create this Board, I do not know where it will end.

Senator FAIRBAIRN.—We know where our end will be.

Senator JOHN D. MILLEN.—Of course, we do. I say definitely that we should, wherever possible, cut out unnecessary Departments. We have the example of Great Britain, where it is proposed to make stringent reductions in the expenditure in all Departments. Here we are only a handful of people occupying this great continent, loaded with debt, and still proposing to create a new Board and increase expenditure. If the Tariff is not effective we ought to make it effective.

Senator THOMAS.—It is not very scientific or the Board would not be necessary.

Senator JOHN D. MILLEN.—It is, apparently, neither scientific, effective, nor satisfactory. If we have to proceed in this way to insure its successful administration, I am satisfied that the proposed Tariff Board will be of no value whatever. I, therefore, intend to oppose the Bill absolutely.

Senator DRAKE-BROCKMAN (Western Australia) [5.31].—It will be remembered that I took an active part in persuading the Government to bring this Bill on to-day instead of waiting until we had dealt with the Tariff schedule. The wisdom of this course has been pretty clearly indicated by the expressions of opinion this afternoon. I shall be surprised, after what we have heard, if the Bill survives the second-reading stage. It certainly will not survive if my vote can assist to reject it, because it is my intention to vote against the Bill in its present form. I entirely agree with Senator John D. Millen that we shall simply be recreating the old, useless, and expensive Inter-State Commission. The Tariff Board will be that body under another name. It may be very desirable to make inquiries concerning the effect of

the various Tariff items on trade and commerce generally, but I am satisfied that if some small amendments were made to the Customs Act all that we desire could be accomplished. There is no need whatever to create a new Department and incur additional expenditure. If this unfortunate Bill ever gets into Committee—I trust it will not—it will be the duty of honorable senators to make it a more effective instrument than it is in its present form. It is proposed to create a Board, endow it with certain authority, but at the same time to leave it perfectly powerless. All that the Board can do is to report to the Minister, who, in his discretion, may send the report on to Parliament. In the original draft of the Bill it was proposed to delegate entirely to the Board powers in relation to the Tariff which should be exercised only by Parliament, but it did not get through another place in that form. It now comes to us useless and emasculated, and is not worth the paper it is printed on. All its effects is additional expenditure. We cannot ignore the fact that the people of Australia are insistent in their demand for economy. Are we going to ignore that demand by incurring this stupid and wasteful expenditure? I strongly appeal to honorable senators to reject the Bill. If the Government still think it is necessary to have some sort of authority to inquire into the operation of the Tariff, and, perhaps, it is necessary, departmental officials should be able to do all that is necessary.

Senator BAKHAP.—What about Senator Benny's idea? Does that appeal to the honorable senator?

Senator DRAKE-BROCKMAN.—I am not prepared to give it my blessing without further thought. At the first blush it appears to have something to recommend it.

Senator DRAKE-BROCKMAN.—But I would like to consider it a good deal more before pledging my support to it. In the meantime, I am strongly opposed to the creation of the proposed Board, and indeed to the entire Bill.

Senator PRATTEN.—What small amendment in the Tariff schedule does the honorable senator suggest, in lieu of this Bill?

Senator DRAKE-BROCKMAN.—The insertion of about three clauses would be necessary, not in the Customs Tariff Bill, but in the Customs Act 1901-20, which governs the Customs Department and under which that Department was brought into existence. The Bill which is now before us states that the Minister, upon receipt of the reports and recommendations of the proposed Board, may take action "according to law." When I first read those words I wondered where their sting was to be found. I searched for it, and discovered that under the Customs Act 1901-20, the Minister possesses a very wide power of interpretation in Tariff matters—a power which can be used for almost any purpose. Then I turned to the last clause of this Bill, and found that it contains provision for the making of regulations. I was then satisfied that I had discovered the sting which is contained in those few simple words. I dislike government by regulation, and in view of my wholesale condemnation of the Bill, I have not thought it necessary to touch upon those smaller matters which can be better dealt with in Committee should the measure ever reach that stage. But as Senator Praffen has put a question to me, my reply is that if it be necessary to create a Board for the purpose of conducting inquiries into Customs matters, the Board can be very easily constituted by an amendment of the Customs Act. Under that Act, the machinery already exists whereby the Minister or persons to whom he may delegate power, may summon witnesses, call evidence, defray expenses, and practically discharge all the functions of a Court of law in certain cases. That machinery needs only to be extended a little, to enable the Minister to delegate that power to the head of the Customs Department, or say to three of his officers who are capable of dealing with the matters mentioned in this Bill and whom he can trust. Thus the position can be overcome by a simple amendment of the existing law.

Senator THOMAS.—What would the Minister do then?

Senator DRAKE-BROCKMAN.—He would receive expert advice, and he would also have the power to make an inquiry where inquiry was necessary just as is contemplated under this Bill.

Senator THOMAS.—With power to reduce a duty?

Senator DRAKE-BROCKMAN.—No. He would have power to come to Parliament and ask it to reduce a duty.

Senator THOMAS.—Does the honorable senator think that any Minister would be strong enough to do that?

Senator DRAKE-BROCKMAN.—Yes. The Government have submitted to Parliament the existing Tariff schedule, and Heaven knows they had to be pretty game to bring down some of the duties contained in it. I admire the courage of the Minister for Trade and Customs (Mr. Greene) in that connexion. Seeing that he has been courageous enough to bring down the present Tariff schedule, he is certainly courageous enough to bring down a proposal to amend the existing law—a proposal backed up by sworn information, if necessary, as to the undue burden which has been imposed upon any portion of the community. I do not like the proposed Board, and shall certainly vote against the Bill.

Senator PAYNE (Tasmania) [5.41].—I desire to add a few words to this debate, and in doing so I wish to reiterate the opinion which I expressed here last week that any Tariff, to be effective, must be effective in the interests not only of our industries but also of the people who use the products of those industries. I recognise that something more is necessary than the passing of a Tariff schedule. The Government have submitted this Bill presumably to meet the need which exists for protecting the great masses of the people from the exploitation which may be possible under a high Protective Tariff. That is a very laudable object indeed. But what we have to consider is how it can be attained with the least possible expenditure to the people of Australia. There is a very great deal to be said concerning the necessity for abstaining from any big expenditure in addition to that to which we are already committed. The inauguration of a new Department vested with the powers proposed to be conferred upon it by clause 15 of this Bill may lead to an enormous additional annual expenditure which it would be very difficult to justify to the taxpayers of the community. Surely there is a simpler method by which the desired end may be attained. With an ordinary Tariff there is very little elasticity. But that remark does not apply to the industries in which we are engaged. Industries which require a duty of 20 per cent. or 30 per

cent. in the initial stages of their existence may, within a year or two, develop satisfactorily with only half that measure of protection. Therefore, the creation of some body to review industrial conditions from time to time seems to be essential. We all recognise that something should be done to prevent inordinate profits being demanded by those who are engaged in our industries.

Senator THOMAS.—Has the honorable senator ever known the people in a protected industry to say that they did not need quite as much protection?

Senator PAYNE.—Yes. The manager of a very large establishment in Australia told me that when the new Tariff was brought into existence last year, both he and others who are engaged in that particular industry were surprised to find that an additional protection had been granted to it, notwithstanding that they had never asked for it.

Senator REID.—What particular industry is that?

Senator PAYNE.—It is connected with the rubber industry. To-day the condition of our industries is not normal. Consequently there is likely to be more elasticity in them in the future than there has been. It is essential, therefore, that some body should be created to review the position of these industries from time to time in their relation to the Tariff. I believe that as a Parliament we can be posted with full information in that connexion by the Customs Department.

Senator THOMAS.—We ought to have a Tariff debate every month?

Senator PAYNE.—There is no need for that. I am prepared to support the second reading of the Bill if I am quite satisfied that some effort will be made to eliminate that portion of it which provides for the creation of an expensive new Department.

Senator WILSON.—The honorable senator cannot have the Bill without the expense.

Senator PAYNE.—I am not prepared to vote for the creation of an expensive new Department or sub-Department. In view of the fact that a considerably increased measure of protection has been extended to our industries under the present Tariff it is certain that the work of the Customs Department will in future be very much reduced. We have been frequently told that it should be our aim

to make Australia as self-contained a community as possible, and the carrying out of such a policy must inevitably reduce the work of the Customs Department. Consequently no difficulty should be experienced in securing the services of the officers necessary to achieve the objects of this Bill.

Senator RUSSELL.—The services of every one of those officers will be utilized.

Senator PAYNE.—Under this measure it is proposed to appoint a Board of three persons. The chairman will receive a salary of £1,400 per annum, and the other members of the Board will be paid fees at the rate of £5 5s. each per sitting. I suggest that certain of the officers of the Customs Department should have allocated to them the duties outlined in this Bill, as a Tariff Committee.

Senator RUSSELL.—You would not ask them to take on the added responsibilities for the same salaries as they are getting now?

Senator PAYNE.—Probably not; they would have to be given reasonable remuneration for their services. I was rather impressed by Senator Drake-Brockman's suggestion that an amendment of the Customs Act might gain the end desired, and I should like to hear something further from the Minister (Senator Russell) on that point.

Senator THOMAS (New South Wales) [5.51].—I had no intention of speaking on the Bill, as I thought I would probably be the only senator to vote against it; and I have been rather surprised to hear senator after senator denouncing it. I understood that the Senate was strongly Protectionist, but it appears to me that most of the arguments which I have heard against the Bill constitute an impeachment of the great principles of Protection. I have always been told by Protectionists that Protection makes things cheaper. We have been assured that agricultural machinery is much cheaper here than in Free Trade New Zealand, or in Free Trade Argentine. I am against the Bill because if, under Protection, we can have things cheaper than under Free Trade, that is all that we can reasonably ask for. If Australia were absolutely Free Trade, I assume, from the arguments of Protectionists, that articles

would be dearer here than they will be under this Protective Tariff. If things are made cheaper under Protection on account of internal competition, surely that is all we can reasonably expect. If Protection does make things cheaper, I do not see why we require a Board to go round to make them cheaper still. I am opposed to the creation of a Board because of its utter uselessness. I understand that it is to be appointed to ascertain whether any one is taking undue advantage of the duties imposed by Parliament. If the Board discovers that any one is making higher profits than he ought to make, it has to report to Parliament; and the natural consequence will be that the Minister will bring before Parliament a proposal to lower the duty, or, if necessary, to remove it. I take it that that is one of the main principles of the Bill. I asked Senator Drake-Brockman whether he ever heard of a Minister being courageous enough to come down to Parliament with a proposal to remove any specific item from a Tariff. I have never heard of such a case in the history of any nation since Protection was introduced.

Senator RUSSELL.—I have done it in connexion with a bounty in this Chamber.

Senator THOMAS.—That is rather a different thing, because all the people pay bounties. I was a member of a Parliament that granted a bounty on peanuts, and it is quite possible that some Minister had the courage, after a certain lapse of time, to propose its removal.

Senator RUSSELL.—Were you not one of a party that took the duties off kerosene and tea?

Senator THOMAS.—In the first Federal Parliament no duties were imposed on kerosene and tea, although the Government of the day proposed them. It could hardly be said that tea was being produced in Australia at the time. I am referring more to duties which are put on to develop manufacturing industries. Even Protectionists will go so far as to say that if we do not produce an article in the country we should put no duty on it. I have heard of Parliament negativing a duty proposed by a Minister, but I have never known of a Minister asking Parliament to remove a duty after it has

been operating for the establishment of a local industry. I was a member of the New South Wales Parliament when a Free Trade Government practically removed every duty except those on sugar, narcotics, and spirits. The British Parliament, in the time of Cobden, Bright, and Peel, removed a tremendous number of duties.

Senator RUSSELL.—You are telling us of dozens of cases where it has been done.

Senator THOMAS.—The Minister cannot tell me of any case where a duty imposed from a Protectionist stand-point to develop an industry has afterwards been lowered or removed on the motion of the Government.

Senator RUSSELL.—Take as an instance the Corn Laws of England.

Senator THOMAS.—In that case again a Free Trade Government came into power. I hesitate to believe that when once an industry is being supported by a duty, any Parliament will have the pluck to remove it. I was a member of another place when Parliament imposed a duty on harvesters, on the distinct understanding that only certain prices were to be charged by the manufacturers. Every promise made by those people was broken, yet not a particle of that duty was ever removed. In fact, as subsequent Tariffs were introduced, the duties on harvesters were raised, and not lowered.

Senator ROWELL.—Did not the cost of labour and material increase?

Senator THOMAS.—They increased very quickly. Immediately the duty was passed, a dozen reasons were found for breaking the promises that had been given to Parliament. Parliament fulfilled its part of the contract, but every promise given by the manufacturers was deliberately broken. That was the end of it, and the farmer had to pay. No matter who the Minister is, he will find it very difficult to remove a duty after an industry has got going. I presume that every honorable senator has received a number of letters during the last few days from Footscray.

Senator DUNCAN.—It is outrageous that any firm should do a thing of that kind.

Senator THOMAS.—Whether the representations have been inspired by the firm or by anybody else, I have a great deal of sympathy with those who have written the letters. I believe a certain

duty has been removed in another place. Naturally, the manufacturers and those employed in the factory are anxious that it should be restored, so that the industry may be kept going.

The PRESIDENT (Senator the Hon. T. Givens).—I ask the honorable senator not to anticipate the discussion on the Tariff.

Senator THOMAS.—We are told that one of the things to be done under this Bill by the Board is to remove a duty, if it is discovered that those who are benefited by it are asking too much.

Senator RUSSELL.—The Board has only the duty of recommending. Parliament will do whatever is necessary.

Senator THOMAS.—Parliament will be asked to remove the duty. I do not say it is absolutely impossible, but it will be practically impossible, with the tremendous pressure that will be brought to bear on us, to remove a duty. Not only the employer, but the employees, will be affected.

In my opinion, the proposed Board will do very little good. I do not object merely on the ground of economy, because if the Board could demonstrate that the people were being charged too much, and so bring prices down, it would be cheap even at £10,000 per year. How is the Board to decide? It is to be asked to report whether a manufacturer is charging unnecessarily high prices for his goods. Some of us may think that certain prices are unnecessarily high, but others may think they are not. The report of the Board will depend a great deal on the temperament of its members.

Senator ROWELL.—They will have facts and figures before them.

Senator THOMAS.—I may think a profit of 15 per cent. is too great for a business, but Senator Pratten may think that 50 per cent. is not too much, or *vice versa*.

Senator WILSON.—What a man makes out of a business is often due to the attention and brains and capacity that he puts into it.

Senator THOMAS.—Certainly, but all these things have to be decided by the Board. The Board may also be asked to decide whether a manufacturer is "acting in restraint of trade to the detriment of the public." It is very possible that members of this Chamber may differ widely in their opinions of what constitutes restraint of trade to the detriment

of the public. For instance, if explosives were being sold at an unreasonable price, mining development would be considerably hampered, and there would be some justification for an investigation.

Senator BAKHAP.—The price at which explosives were sold would not be so likely to retard the mining industry as some other manifestations of which we are aware.

Senator THOMAS.—To what is the honorable senator referring?

Senator BAKHAP.—Five hours a day.

Senator THOMAS.—The number of hours which the men in the mining or any other industry may desire to work cannot be discussed at this juncture.

Included in the matters which the Minister shall refer to the Board for inquiry and report is the question of a manufacturer acting in a manner which results in unnecessarily high prices being charged to the consumer for his goods. It may be somewhat easier to institute inquiries in that direction than in others. Sub-paragraph iv of paragraph h which reads:—"refusing to sell to any person goods to the value of Fifty pounds at current market rates" is certainly clear and definite, and, I presume, means that a manufacturer can be compelled to sell goods to the value of £50 at the same rate at which he would sell them to a wholesale firm. I think that is desirable. When Senator Fairbairn and I were members in another place a Tariff Commission, consisting of Sir John Quick, who was the Chairman, Sir George Fuller, ex-Senator Higgs, and others, was appointed to make certain investigations in connexion with Tariff matters. That Commission made exhaustive inquiries, and submitted a valuable report to Parliament; but I do not think its recommendations had the slightest effect.

Senator DE LARGIE.—I do not agree with the honorable senator, as the report of that Commission was frequently quoted.

Senator THOMAS.—I am speaking of the attitude adopted by honorable members in another place. The report did not have the slightest affect, because honorable members voted in accordance with the requirements of the constituencies which they represented.

Senator ROWELL.—The Victorians were on one side and the New South Wales members on the other.

Senator THOMAS.—Yes, it was quite simple. We found the Victorians advocating Free Trade principles when they had no Victorian industries to protect, and in favour of high protective duties when some insignificant Victorian industry was involved. They were not so keen on protecting the sugar industry as they were the nail industry.

Senator RUSSELL.—Is the honorable senator of the opinion that nails cannot be made in Australia?

Senator THOMAS.—At that time there were a few men and three or four boys engaged in the nail industry in Victoria, and some Victorian members were more eager to impose a duty on nails than they were on sugar.

Senator RUSSELL.—Nail works are now established at Newcastle under the control of the Austral Nail Company, and their plant covers two acres.

Senator THOMAS.—No doubt the people have had to pay, as they have had to do in connexion with sugar during the last twenty years.

If this Bill is passed by the Senate—I do not think it will be—I trust it will be amended so that the two business men to be appointed shall not receive £5 5s. per sitting, because I believe there are able and patriotic men in this country prepared to serve upon this or any other Board without any fee. It does not necessarily follow that a man who is paid a fee is not more capable than one prepared to give his services free in the interests of his country. We must have the best men, and if the Board can carry out the important work outlined by the Minister, we should be prepared to pay handsome salaries, because the expenditure would be justified.

After hearing some of the Protectionists in this Chamber express their opinions, I was almost convinced that there was something in a policy of Protection; but after hearing the speeches of some of them supporting this Bill, there does not appear to have been much in the arguments previously adduced, because, after all, it is necessary to amend our legislation to prevent the people being exploited. I shall oppose the second reading of the Bill.

Senator ELLIOTT (Victoria) [6.14].—When the introduction of this measure was first mentioned, I was under the impression that a means had been devised whereby the Minister for Trade and

Customs and Parliament would be informed of anomalies and hardships arising out of the Tariff. But this measure goes a great deal too far. I do not desire to repeat the arguments which have already been submitted, but wish to elaborate some of those adduced by Senator Thomas in regard to paragraph *h* of sub-clause 1 of clause 15. At present the need exists for the development of our Australian industries in which we should encourage people to invest their capital, but it appears that in this measure we are doing our utmost to discourage local manufacture. So far as I can see, there is no provision in the Bill to authorize inquiries to be made by the proposed Board into profiteering by importers. The poor unfortunate manufacturers in this country are to be brought before a Court, examined on oath, and their books investigated, but the importer is to go absolutely free. It is only the manufacturer who will be penalized, and the distributors and importers are to be exempt. Senator Guthrie's diatribe was directed against the distributor, but this measure will not give relief.

Senator BAKHAP.—If there has been profiteering we do not need more protection?

Senator THOMAS.—That is what we desire to ascertain.

Senator ELLIOTT.—Courts, Commissions, Boards, and Committees have inquired into the question of profiteering, and up to the present the number punished has been infinitesimal.

Senator Sir THOMAS GLASGOW.—It is only the small men who have been penalized.

Senator ELLIOTT.—That is sc. If the Flinders-lane merchants produce balance-sheets showing a deficit, are they to be charged with profiteering?

Senator GUTHRIE.—No, with bad business by purchasing more than they require.

Senator ELLIOTT.—They must create a reserve to provide for unforeseen contingencies.

Senator GUTHRIE.—They made 100 per cent. on Australian manufactured goods.

Senator ELLIOTT.—And lost 100 per cent. on imported goods. To carry on business successfully and on a proper basis the losses and profits have to be averaged over a period of years. There are hundreds of law cases recorded in our

Law Reports in which efforts have been made to prove that firms have acted in restraint of trade, and although in great numbers of them this has not been demonstrated to the satisfaction of the Court, thus showing the difficulties which arise in such cases, the responsibility of proving it is, under this Bill, to rest with a body of persons who will be possibly inexperienced in the law. My principal objection is in regard to clause 15, sub-paragraph iv, paragraph h, of sub-clause 1, which reads: "Refusing to sell to any person goods to the value of £50 at current market rates." I do not know anything more likely to disorganize business than such a provision.

Senator PRATTEN.—That alone should have put this Bill under the table.

Senator ELLIOTT.—It is an unreasonable provision, because a manufacturer may be approached by persons who wish to purchase £50 worth of goods, and he may not have them in stock, or he may be unable to supply because his output has been sold under contract.

Senator GUTHRIE.—That would exempt him.

Senator ELLIOTT.—The Bill does not so provide.

Senator GUTHRIE.—But we are to amend it slightly, I believe.

Senator ELLIOTT.—Under this provision an unfortunate manufacturer might be compelled to obtain the goods elsewhere in order to meet the demands of a customer. Again, whilst the Board may summon witnesses to give evidence to convict a manufacturer who is brought before them, he does not seem to be given any reciprocal power under this Bill to call witnesses to rebut the case against him.

Senator REID.—He has a right to give his own evidence.

Senator ELLIOTT.—That may be so, if he is called; but, apparently, he has no right to call evidence in corroboration of his statement.

Senator CRAWFORD.—The members of the Tariff Board will surely give him a chance to have his case heard.

Senator ELLIOTT.—They will not necessarily be men having any judicial knowledge, or any knowledge of the rules of evidence. It is our duty to see that no injustice is done to the citizens of Australia, and I think we should do what we can to relieve Australian manufacturers of unnecessary restrictions and harassing conditions of this kind.

Senator DUNCAN (New South Wales) [6.22].—This unfortunate political fledgling seems to be having a very rough passage. The hawks have ripped and torn it until it has been left hardly a feather to fly with.

Senator PAYNE.—To whom does the honorable senator refer as "hawks"?

Senator DUNCAN.—Even its political friend, and I refer now to Senator Earle, who holds up his hands in holy horror whenever any honorable senator appears to be inclined to oppose the Government, could not refrain from throwing a stone or two at it as the fledgling passed him. This is not to be wondered at, in view of the debate which took place on the measure in another place. Honorable senators are justified in being a little doubtful whether this Bill is going to fulfil the wonderful promises made for it by the Vice-President of the Executive Council (Senator Russell). To listen to the honorable senator, in moving the second reading of the measure, one might imagine that it would serve to overcome all the great difficulties which since the inception of Federation we have hitherto attempted in vain to surmount.

Senator RUSSELL.—I did at least make a suggestion, but no honorable senator opposed to the Bill has done so. I do not now know on which side Senator Duncan is.

Senator DUNCAN.—I shall tell the Minister on which side I am, but at present I am trying to explain how and why this little bantling has had such a rough spin.

Senator RUSSELL.—I do not think so. It has not been amended so far.

Senator DUNCAN.—There has been no opportunity so far to amend it in the Senate. Since I have been a member of the Senate I know of no measure previously introduced which had such a rough handling from honorable senators as this Bill has had. This is not to be wondered at, in view of the very doubtful things said about it in another place, and even by the Minister for Trade and Customs (Mr. Greene), in introducing the measure. He had no very high hope that it would fulfil what was expected of it. He did not believe that the difficulties it is designed to overcome would be met by it; and, indeed, he put the measure forward as in the nature of a political experiment. I direct attention to one or two sentences

which fell from the honorable gentleman in introducing the measure. He said—

I hope that neither members of this House nor the public generally will expect too much from the Tariff Board.

Senator E. D. MILLEN.—That remark might be made of almost any Bill introduced.

Senator DUNCAN.—“Blessed is he that expecteth nothing.” The Minister for Trade and Customs also said—

It is inevitable that many of the benefits which are popularly expected to flow from a Tariff Board are likely to prove illusory.

Senator THOMAS.—Hear, hear! Again we agree with the Minister for Trade and Customs.

Senator E. D. MILLEN.—Well, then, pass this Bill.

Senator DUNCAN.—Here we have a Minister in charge of a great Department introducing a measure intended to in some way regulate the business of that Department, and when he refers to it in such a Doubting Thomas kind of way it is not to be wondered at if some honorable senators find themselves entertaining just the same doubts about the measure as the Minister who introduced it had.

I feel that there is a very great necessity to in some way protect the interests of the consumer. Since the inception of Federation we have been endeavouring in Australia to produce a system of Protection that would satisfy all sections of the community. We tried the policy of New Protection. We felt that it was a fair thing if we gave protection to the manufacturer that we should give protection also to the employees in protected industries. We attempted to do that by adopting the policy of New Protection. That policy was defeated by a decision of the High Court. We are now making an attempt, and not for the first time, to give some kind of protection to the consumer. We are trying to evolve an all-round system of Protection which will protect every one and under which every one will be happy.

I have some doubts whether this Bill will fulfil the purpose for which it has been designed. I have explained that those doubts are shared by the Minister responsible for its introduction in another place. Senator Russell, who is in charge of the measure here, takes the view that it is all right. He seems to think that it will do all that it is designed to do. I wish to refer to one or two clauses of

the Bill which have already been mentioned by the honorable senator, because I want to point out why I differ from the conclusion at which he has arrived concerning them. The new Department which is to be created, and to which so many honorable senators have taken exception because of the cost of running it, has been urged upon the acceptance of honorable senators by the Minister because, in his opinion, some of the Departments are too big for Ministers to administer, and he considers that they should be relieved of minor duties in connexion with them.

Sitting suspended from 6.30 to 8 p.m.

Senator DUNCAN.—The Minister suggested that the outside business members of the Board would be prepared to give their services for nothing, and said that the amount fixed for their remuneration would really be no inducement to them. I cannot conceive of any big business man in this or any other city, having the affairs of his own business to attend to, being prepared to give any small portion of his time to the affairs of this proposed new Department. The big business men of the Commonwealth have quite enough to do in looking after their own concerns without being involved in an inquiry such as would be entailed by accepting one of these positions.

Senator RUSSELL.—I admit that is one of our difficulties.

Senator DUNCAN.—It is so great a difficulty that I cannot see how the Government are going to overcome it. I fear they will have to be content with the services of some fairly successful business man, or accept the services of some business man who has not been successful in his own business, or else fall back on some dead-beat professional man to fill the position. The Minister stated also that the Board would not need to meet more frequently than once a week or once a fortnight.

Senator RUSSELL.—Not after the first rush of work is over.

Senator DUNCAN.—I am of opinion that they will need to meet very frequently indeed. But let me use the Minister's own argument. In justifying the payment of a salary of £1,400 to the chairman, he pointed out that the proposed Board would deal with Customs duties amounting to millions of pounds

per annum, and yet he expects two outside business members of the Board to handle all these problems in a few hours per month, or a few days per year.

Senator RUSSELL.—Yes, because they will not be responsible for the administration.

Senator DUNCAN.—Let me refer to another argument used by the Minister. He told honorable senators that the Minister for Trade and Customs is immersed practically all day and every day in the settlement of disputes about Customs duties. Now, if the Minister, with all the advice and assistance of his officers, with all the knowledge of the Department at his command, and without any of that clashing of opinion such as might be expected amongst members of this proposed Board, is immersed practically all day and every day in settling Customs disputes, how can we expect the proposed Board, with all the disadvantages attaching to a probable clashing of personal opinions, to settle these disputes in so short a time? Then, later in his speech, the Minister assured us that the Bill would make no difference whatever to the responsibility of the Minister; that in spite of the appointment of the Board the Minister would still be the determining factor in administration, and that the Board would merely collect and tabulate evidence for the Minister's information and make suggestions.

Senator RUSSELL.—The other day the Minister was asked to sign a paper authorizing payment of the sum of 4s. Rubbish!

Senator DUNCAN.—Of course it is. I can assure the Minister that I am endeavouring to assist the Government as far as possible in connexion with this Bill. I am only pointing out the difficulties in administration as I see them.

Although it contains some provisions which I do not like, I intend to vote for the Bill, and in Committee to move for the repeal or amendment of certain clauses. For instance, I cannot accept sub-paragraph iv. of paragraph h, which imposes a penalty upon any manufacturer who refuses to sell to any person goods to the value of £50 at current market rates. What a pretty position would be created if some blackmailer, desiring to wreak his vengeance upon a manufacturer, made a complaint to the Board that he had been refused goods to the value of £50 at cur-

rent market rates. It is quite possible that some unscrupulous person might do serious injury to a manufacturer in this way; for there is nothing in the clause to indicate that the person demanding goods to the value of £50 should have credit to that amount, or pay cash.

Senator WILSON.—That is implied, though.

Senator DUNCAN.—There is altogether too much in the Bill that is implied. I am aware that this paragraph was not in the Bill originally, and that it was accepted by the Government in another place. In my opinion, they made a mistake in accepting it.

Senator PRATTEN.—Even if a manufacturer has reasonable grounds for refusing to sell, he could still be prosecuted.

Senator DUNCAN.—Of course he could.

Senator RUSSELL.—The Government did not accept the proposal in another place. It was forced upon them. You will have your chance in Committee.

Senator DUNCAN.—I know I will; but I am quite in order at this stage in pointing out that this clause, with other clauses, is most obnoxious to me, as I feel sure it is to the majority of honorable senators, so we shall alter it, I can assure the Minister.

Senator RUSSELL.—It is obnoxious to the Government, too.

Senator DUNCAN.—I shall vote for the second reading in the hope that when we get the Bill into Committee we shall be able to knock it into something like reasonable shape. If we are unable to do that, I shall vote against the third reading.

Senator REID (Queensland) [8.10].—Some opponents of the Bill have suggested what they consider is a way out of the difficulty with regard to the proposed Board, by urging the appointment of departmental officers, while other honorable senators are totally opposed to the proposal in any shape or form. I should like to know how the Department is going to get the information concerning the operation of the Tariff unless Parliament authorizes the appointment of some persons either inside or outside the Department to make the necessary inquiries.

Senator FAIRBAIRN.—What have we done in the past?

Senator REID.—We have had very little knowledge, so far as I am aware, as to how the Customs Tariff has been

operating in relation to our industries. I do not know that there is any particular place where satisfactory information can be obtained as to the effect of the Tariff in building up industries; whether it is necessary that certain industries should have protective duties still; whether duties are too high as against the general public; or whether manufacturers are charging too much for their products. In my opinion, the appointment of the Board is absolutely necessary for the proper working of this Tariff.

Senator WILSON.—The honorable senator must realize how difficult it will be to get evidence from the public.

Senator REID.—The Board will have authority to summon manufacturers to give evidence.

Senator DRAKE-BROCKMAN.—Only the unfortunate manufacturers. What about the middlemen?

Senator REID.—The manufacturer will be required to state what are his profits, and to give all other necessary information, except, of course, any trade secrets, which it is not desirable should be disclosed. The Minister has not power to order these inquiries at present. If he has, this Bill is not required, because the Minister could direct the Board to make the necessary investigations. I take it that the Bill represents an extension of authority in this direction. If we reject the Bill, as suggested by some honorable senators, what will be substituted for it, and how are we to obtain information as to the working of the Tariff?

Senator ELLIOTT.—The Inter-State Commission had the same authority to inquire.

Senator DRAKE-BROCKMAN.—That body made extensive investigations, and still the public did not know anything about the matter.

Senator REID.—But this proposed Board will be authorized by Parliament to make inquiries for a specific purpose.

Senator DRAKE-BROCKMAN.—So was the Inter-State Commission.

Senator REID.—I do not think so. The Board is to be appointed to inquire into certain specific matters. These would not be so numerous as many honorable senators seem to think. But the creation of a Board is absolutely necessary for the purpose of gaining information as to the cost of production of cer-

tain articles and the prices at which those articles are being sold to the public. The Board should be empowered to deal, not merely with the remission of duties from a manufacturer's stand-point, but also with the prices that are charged by the distributor.

Senator PRATTEN.—What constitutional power have we to do that?

Senator REID.—We have not the constitutional power.

Senator DRAKE-BROCKMAN.—The States tried to do it, and they failed.

Senator REID.—Even if we possess the power to deal with the manufacturer, our power stops short there, and it is necessary that the proposed Board should be clothed with authority to deal with the distributor. It should be empowered to inquire into the cost of production, with a view to ascertaining whether the manufacturer or the distributor is to blame in cases where exorbitant prices are being charged to the consumer.

During this debate reference has been made to the establishments in Flinders-lane. Senator Guthrie mentioned that those establishments are charging too much for Australian woollen goods. I quite agree with him. But the honorable senator omitted to mention that the warehouses in Flinders-lane have to carry certain stocks, and that their customers can obtain supplies from them in all sorts of quantities. Those supplies are sold to shopkeepers either upon bills or upon monthly terms. Consequently, the Flinders-lane warehouses fulfil a very useful purpose as between the public and the mills. We must not forget the large number of small shopkeepers who are kept going by these Flinders-lane establishments. But for them, thousands of small shopkeepers would not be able to carry on operations.

Senator PAYNE.—Some years ago those shops used to get their supplies direct from the mills.

Senator REID.—No manufacturer would care to be troubled with the small accounts which are dealt with by the establishments in Flinders-lane. I agree with Senator Guthrie that the prices charged for woollen goods by these warehouses during the war were far too high. The mills were selling to them at from 5s. 6d. to 10s. 6d. per yard, and the same

quality of cloth was being retailed to the public at from 17s. 6d. to 37s. 6d. per yard.

Senator DRAKE-BROCKMAN.—But we have no constitutional power to deal with the distributor.

Senator EARLE.—We have the same power to deal with the distributor that we have to deal with the manufacturer.

Senator REID.—The proposed Tariff Board would be able to supply the public with information as to who is making Australian goods so dear. At the present time the people do not know who is robbing them. The power to inquire into this matter, and to obtain the desired information, would be of some value to Parliament.

Senator ELLIOTT.—It would not help us in dealing with the Tariff.

Senator REID.—At any rate, we should then know how the Tariff was working.

I come now to the proposed composition of the Board. To my mind, the creation of such a body is a necessity.

Senator THOMAS.—The honorable senator has a very poor opinion of Protection.

Senator REID.—Perhaps that is so. But Protection does not make human nature either good or bad. Upon the other hand, when by means of Protective duties we give practically a monopoly to manufacturers in any particular line, Parliament has a right to step in and say that that power shall not be abused.

Senator WILSON.—Does not the Bill say that the Minister "may" do certain things?

Senator REID.—But "may" means "shall." Consequently, it will be incumbent upon the Minister to bring down reports from the Board—reports for which he must accept responsibility. Parliament will then either indorse his action or censure him. If the proposed Board is to be constituted of a Customs officer and two outside business men, the Government will be wise to appoint business men who possess some knowledge of industries, and who are not concerned with the way in which the Tariff operates.

Senator ELLIOTT.—An outside business man could thus learn all about his rival's business.

Senator REID.—Under the Bill the members of the Board will not be at liberty to divulge information which they gain in the performance of their duties.

I do not know that any business man would reap an advantage from inquiring into another man's business methods. But if we can find officers within the Customs Department who are qualified to fill these position we should amend the Bill so as to permit of that course being followed.

Senator PRATTEN.—Would the honorable senator be in favour of the amalgamation of two or three of the Boards already in existence, whose duties will overlap those of the proposed Board?

Senator REID.—I am not in favour of creating more Boards.

Senator THOMAS.—The population will not stand it.

Senator REID.—We have not reached that stage yet. If we can amalgamate any of the existing Boards with the proposed Board, we ought certainly to do it. But if we do not pass the Bill I fail to see how we can get the information that we desire in respect of certain matters.

Senator THOMAS.—Does the honorable senator read all the information that is supplied to him at the present time?

Senator REID.—During the past few weeks a good deal of correspondence has come to honorable senators in regard to the Tariff, and I am sure that none of us has attempted to get through the whole of it.

Senator WILSON.—Has the honorable senator received any letters from young ladies?

Senator REID.—Yes. I have received correspondence from the girls who are employed in the Explosives Factory. Every honorable senator, I presume, including Senator Wilson, has been the recipient of similar letters. If the proposed Board be appointed, I think that it should be vested with power to inquire into the cost of production to the manufacturer, and also into the question of whether some of the awards of our Arbitration Courts accord with the services which particular industries are rendering to the community.

Senator SENIOR.—How could the Board gauge that?

Senator REID.—By ascertaining the cost of production and also the prices at which articles are being sold to the consumer. In many industries all charges are passed on.

Senator PRATTEN.—Have we not already sufficient Courts to do that sort of work without double banking them?

Senator REID.—We should not be double banking them.

Senator PRATTEN.—Why are inquiries conducted into the minimum wage question, and for what purpose are Industrial Courts constituted?

Senator REID.—Presumably they are created to avoid industrial disputes. But an Arbitration Court is not concerned with the charges which an industry passes on to the public. It is concerned only in effecting a compromise between a particular union and the employers who are engaged in some industry. We have never been able to ascertain whether what the manufacturer and the employees receive in a particular industry is given back to the public in value. The proposed Board might well be authorized to inquire into that phase of the question.

Senator PRATTEN.—Then the honorable senator wants an inquiry as to whether the workers as well as other people are profiteering?

Senator REID.—Of course the public have never had a chance of finding that out. Both manufacturers and workers may be profiteers in their own way, and may not be returning the public sufficient value.

Senator KEATING.—What about the Basic Wage Commission?

Senator REID.—I regard the Basic Wage Commission as a huge farce. They did not set about their inquiry in any definite way; but this Board would obtain the information in the usual course of inquiry into businesses. All that the Basic Wage Commission found was along one line—that is, upon evidence given by people who said they could not live for less. This Board would inquire into the profits of manufacturers, and could also inquire into the wages of the employees.

Senator BAKHAP.—The manufacturers cannot have any profits, or they would not want the Tariff raised.

Senator REID.—I did not know the Tariff was fixed by profits.

Senator BAKHAP.—Things are too cheap already. If they were not too cheap the manufacturers would not want to raise the Tariff. Senator Guthrie says it is the importers who are making the profits.

Senator REID.—All that Senator Guthrie contended was that we must devise some means to protect the consumers. That is the main thing. The Board would find out the amount of profits being made out of an industry, and the amount of wages being paid out of it, and ascertain how the industry served the

public. That information will be most essential in the future in connexion with the building up of industries under the Tariff, so that we may be able to see that neither one nor the other is profiteering on the public necessities. Along these lines I am willing to support the Bill, and I hope that in Committee the Minister will accept an amendment, because I do not wish to create any more Boards outside if we can find within the Public Service officers who can take on the responsibilities laid down in the Bill.

Senator PRATTEN.—The honorable senator will admit that the word "less-steering" ought to be mentioned now oftener than "profiteering."

Senator REID.—In order to get the information that the Board can gather, I am in favour of the Bill going through the second reading, and of making an attempt to improve it in Committee.

Senator BAKHAP (Tasmania) [8.34].—As this, like the Customs Tariff Bill, is not a party measure, I may be pardoned for contributing a few brief remarks to the discussion of it. I gather that it is the result of an idea that, in consequence of our Protectionist policy, manufacturers who will succeed in establishing industries in Australia in consequence of the anticipated effects of the new Tariff, may do something so desperate or inimical to the public interest that they will have to be very carefully watched.

Senator HENDERSON.—So they have to be.

Senator BAKHAP.—I am prepared to give a sort of general absolution to Australian manufacturers, for if they could do at the present time those things which it is anticipated they will do in the future, we should not have any need of a Protectionist Tariff. If the industries were well established and working with satisfactory profits to the manufacturers, and with satisfactory wages rates to their employees, what would be the need of a Protectionist Tariff, seeing that the objective which we all seek to attain would have been gained?

Senator GUTHRIE.—Some of them are millionaires:

Senator BAKHAP.—I am glad to hear that they are not in the Bankruptcy Court. A great many people seem to think that if a man embarks upon an enterprise, starts a mine, or establishes a business, and makes profits, he is a

criminal. I desire to see him succeed. I do not wish to see him in the Bankruptcy Court. I should like to see the doors of the Bankruptcy Court closed, like the doors of the temple of Janus in times of peace. I want to hear of everybody making profits in all the industries and employments of the Australian people. I gather from Senator Guthrie's remarks, although I may have misconstrued what he said, that the people who are brandishing a loaded revolver, so to speak, at the head of the public, dwell in Flinders-lane. I always understood that Flinders-lane was associated with the importing rather than with the manufacturing interests. It seems to me that the Protectionist says "You will be exploited by the importer," while the Free Trade advocate says "There is a very grave danger of Australia being exploited by the manufacturer." I prefer to see Australia exploited, if there is going to be any exploitation, by the local manufacturer rather than by the importer of foreign goods.

Senator E. D. MILLEN.—But need there be any exploitation at all?

Senator BAKHAP.—I do not concede that there has been at any time any undue exploitation of the Australian people, and it is for that reason that I have always consistently opposed the proposals for constitutional amendment which had for their expressed object the punishment of the alleged profiteer, who was very often said to be the Australian manufacturer. If Australian products were not too cheap at the present time, speaking in a general and all-round sense, we should not want a Protectionist Tariff. I ask those people who are always shouting out about the very great and high prices of Australian commodities to reconcile their statements and opinions with the fact that we are about to enact a Protectionist Tariff. If manufacturers could establish all their industries, and sell all their products at prices remunerative to themselves and to their employees as regards the rates of wages paid, what would we want a Protectionist Tariff for? That is a logical proposition, and, although I know there are defects in logic, I submit it to honorable senators as such. If articles were not too cheap in

Australia, what would we want a Protectionist Tariff for?

Senator E. D. MILLEN.—Too cheap for whom?

Senator BAKHAP.—Too cheap for the manufacturers and the consumers also, for I remind the honorable senator that we cannot divorce the consumer from the manufacturer. The interests of all are identical.

Speaking on the first reading of the Customs Tariff Bill, I said that we could not separate the people's interests into watertight compartments. In legislating for Australia in regard to the Tariff, we must consider the people as a whole. This measure savours a little too much to me of the attempt to regulate prices, and to interfere with the manufacturer and with business. Let us see what position this great Australian people has got itself into with regard to certain lines of thought and legislative action. I wished recently to send a parrot in a cage over to my daughters, in Tasmania, by the hands of a little boy who was going across the Strait on the Tasmanian ferry boat. They would not take the bird on the boat, despite the fact that a swift-flying Australian bird can have its breakfast in the environs of Melbourne, and be hunting for its lunch within the shores of Tasmania on the same day. I was informed that I would have to give two days' notice to the inspector of stock before the bird could be taken on a boat, and that I would have to take the responsibility in other circumstances of having it on the boat, and taking it to Tasmania. That is one of the vexatious restrictions which legislators allow to be imposed by regulation upon themselves and the people of Australia. I venture to say that no legislator, either State or Commonwealth, ever anticipated such a contingency as that a man would be prevented from taking an ordinary Australian parrot in a cage across to Tasmania because he had not apprised the inspector of stock that he intended to do so. This measure contemplates too much of the same sort of restriction. I have always opposed the attempted regulation of prices.

There is on the table of the Senate a whole pile of reports by the Inter-State Commission on Tariff matters. I do not

think it is necessary for any honorable senator to cry "peccavi." I, too, have sinned, if it is a sin not to have read all the reports of that Commission. Life is too short and too full of incidents for me to have read all the reports of the Inter-State Commission on Tariff matters. There is a series of reports compiled by three gentlemen, one of whom was, I understand, the Victorian Collector of Customs. I refer to Mr. Lockyer. Nobody, and certainly not myself, ventures to insinuate that he was not a capable man in his Department. All parliamentarians must remember that if they hit at a man outside Parliament he is not in a position to hit back, and it would be very improper for me to suggest that Mr. Lockyer was an incompetent man at any time in regard to the Department which he helped to administer. There was also Mr. Piddington. I believe he is a man of considerable attainments in an academic way, but his Basic Wage Commission got us parliamentarians into a hole from which we have not yet found a way out. Mr. Swinburne was the only politician on that body, and he was not at the time a politician responsible to the people, for, being a member of the Inter-State Commission, he was not a member of any Australian Parliament. If the Inter-State Commission compiled a whole series of reports on Tariff matters, which members of the Federal Parliament have not read—I hope I am not doing them an injustice in saying so—or if members have read only a few of them, as is the case with me, what is going to be the value of the Tariff Board? I think the furthest I could go would be to support Senator Benny's scheme. I made a certain resolution, after the report of the Basic Wage Commission was presented. I am not reflecting upon the individual ability of the members who composed that Commission. University professors are very proper men in University chairs, but a University professor is the only man to whom I ever used bad language in the precincts of Parliament, for he was an absolutely unpractical and impracticable man. Men of this class are excellent in their own spheres, but I promised myself after the report of the Basic Wage Commission was presented, that I would not be a party by my vote or support to the establishment of any Com-

mission that was not composed of members of the Legislature, who would be directly responsible to their fellows for their reports.

Although I am prepared to support the Bill, I decry the principle of continually interfering with manufacturers to find out what their profits are. Do we regret that their profits are big? I hope we shall establish industries in Australia that will enable millionaires to be present by the dozen. That is the sort of prosperity that I want to see here. I should like to see companies declare dividends, not of 5, 6, or 7 per cent., but of 50 and 60 per cent. Then we shall have a lively time. There will then be no talk of depression or reluctance on the part of capitalists to invest money in industries. There will be no reference to unemployment, and companies will forget that there is such a thing as going into liquidation, because they will be declaring profits of 30 per cent. and 40 per cent. There will be no lack of prosperity then. I shall, to allay those fears concerning the consumer being exploited, vote for this Bill going into Committee if the Government will be prepared to adopt Senator Benny's eminently satisfactory suggestion and appoint a Committee such as the Public Accounts and the Public Works Committees, which comprise members of both Houses of this Parliament. I think it will be generally admitted that these are two very effective and excellent bodies doing a great work for Australia, and work that has been carried on unapplauded. These two Committees have fully justified their appointment in every way, and if the Parliament is satisfied that there is a necessity to appoint an overlooking or advisory body in connexion with the Tariff, and that body is composed of parliamentarians, I shall support the Bill. But if it is intended to create another Board, of outside men who may possess excellent qualifications, but who are academic and unpractical men, I do not want any more of them. I do not desire a Board such as the Basic Wage Commission, comprised of men such as Mr. Piddington, who, we know, is capable of writing articles on Spanish literature and has given us a new version of Don Quixote, because the Australian Parliament has never been placed in a more uncomfortable position than it

has in connexion with the findings of the Basic Wage Commission. I do not wish any similar investigations to be undertaken in connexion with the duties imposed under this Tariff, because we do not know what the result will be. I trust this Tariff will enable Australian industries to be so established that they will declare dividends of 30 or even 40 per cent., because in such circumstances we shall have no unemployment, and there will be sufficient internal competition amongst manufacturers to regulate many of the evils which have been mentioned.

I shall, in deference to the unbased fear that the prosperous manufacturers of Australia may do something inimical to the best interests of Australia, vote for a Board, but it must consist of members of Parliament responsible to the Australian people. I am absolutely sick of the creation of academic Boards.

Senator KEATING.—What of the Interstate Commission?

Senator BAKHAP.—What does the honorable senator suggest?

Senator KEATING.—Would not the same personnel be satisfactory?

Senator BAKHAP.—It would not suit me.

Senator KEATING.—That is what will happen.

Senator BAKHAP.—Not at all. If the Government selected two or three honorable members from another place, and make up the number from this august Chamber, I would be satisfied with the result of their deliberations. Despite the opprobrium which some people cast upon members of Parliament, apart from the exercising of judicial functions which is the duty of members of the legal profession, I know of no men in any class in this community more capable of giving an unbiased judgment in regard to any matter than the parliamentarians of Australia. I will trust in, and read the reports of, my brother parliamentarians, but I will not vouchsafe that courtesy to the reports submitted by all sorts of Boards that may be thrust upon me by the bucketful. I am absolutely tired of them. I have been besieged by men of all degrees of attainment in connexion with the development of our Australian industries, but I have never found any one more useless than a certain university professor who indulged

in "lobbying" in seeking support for the principle of proportional representation. On the occasion when that assistance was sought, I told this gentleman that the measure would be defeated in Parliament, although it would have the support of the Tasmanian senators. I said that we would get six affirmative votes—it was a mere guess, but it proved to be correct—and that was all the support secured. Notwithstanding the fact that this gentleman was in the gallery and heard the debate, he requested me, as well as other honorable senators, to introduce the principle when the Bill was in Committee. I said to him, "Do you believe that parliamentarians are such fools as to advocate proportional representation after hearing the question debated and seeing the opposition which was offered?" He really believed that the principle could be introduced, and that honorable senators could be hoodwinked into supporting it. On that occasion I indulged in rather free language. If university professors, and business and scientific men, are such wonderful fellows, why do not people elect them to Parliament. There are 111 men in this National Parliament, and out of that number we can select men who can navigate a ship and draw up a will if one is at death's door. There are also physicians, blacksmiths, carpenters, miners, and men capable of doing everything necessary in regard to the economic and industrial interests of Australian life. Notwithstanding this, we are asked to appoint bodies outside these 111 men, in whom the Australian people have confidence, to do the work that we are capable of doing ourselves. If I vote for the second reading of this Bill, the Government must understand that it is on the sole condition that they will appoint a discriminatory Committee composed wholly of parliamentarians.

Senator WILSON (South Australia) [8.53].—I think it can be said that this Bill has been fully criticised by honorable senators, the majority of whom have come to the conclusion that it is beyond repair, even in Committee. Most of us are pledged to the principle of political economy, and in this connexion we have the opportunity of preventing the creation of another huge Department. Honorable senators must realize that we have a duty to perform to the consumers as well as to the manufacturers.

Senator FAIRBAIRN.—And to the electors.

Senator WILSON.—They are included in the consumers, and we have to do what is right in the interests of the whole community. On the score of economy, I cannot support the appointment of the proposed Board, because we have officers in the Department who are capable of advising the Minister for Trade and Customs (Mr. Greene) on questions which should be submitted in Parliament. It appeared to me that the Minister for Trade and Customs adopted a very gentle attitude when introducing the measure in another place, and after listening to the Vice-President of the Executive Council (Senator Russell) this afternoon, I came to the conclusion that he was not over-enthusiastic.

Senator DUNCAN.—It makes one wonder if they really wish the measure to be passed.

Senator WILSON.—I do not think they are too sincere. Already the people are unnecessarily burdened in consequence of the number of Boards which are in operation, and whose investigations considerably hamper those who are employing labour. A man in a mixed business has to contend with no less than six or seven inspectors, who have the right to enter his premises and occupy his time in connexion with different sections of his trade. A man in such a business has to interview inspectors representing the following trades and callings: grocery, bakery, small goods, bread carters, shop assistants, and stablemen.

Senator PRATTEN.—And what of the income tax inspector?

Senator WILSON.—He comes once a year, and that is too often, but the others are always on the doorstep. In nine cases out of ten they are making investigations to justify their job, and that is what makes the work of a business man exceedingly difficult. We are now asked to appoint another Board that will request the attendance of business men, who will be examined as to the profits they are making.

I have been astonished at the reference which has been made to the alleged profiteers in Flinders-lane and elsewhere. It is almost alarming to men engaged in business to see the number of firms who are finding it difficult to keep afloat. There are firms even in this city who two or three years ago were considered

to be financially strong who are now finding it difficult to carry on. These are the men who are called profiteers. It is easy for us to come into this chamber and charge men who are successfully conducting industries with being profiteers, but we cannot base our allegations on the profits made during one year. Probably the most abused man in Australia in this connexion is Mr. Hugh V. McKay, who through his thrift and industry has built up one of the finest industries in Australia. During the last five or six years the farmers of this country would not have been able to purchase agricultural implements if men such as Mr. McKay had not been operating in our midst. Cheap money and plenty of it was available to defeat such men, and honorable senators are well aware of what the taxpayers of Western Australia lost—it was a huge sum—in this direction. Now they are reconstructing and endeavouring to get another start. The failure of Western Australia resulted from the fact that brains and thrift were not at the head of the undertaking. I ask you, gentlemen, to realize—

The PRESIDENT (Senator the Hon. T. Givens).—Order! I ask the honorable senator to address the Chair.

Senator WILSON.—No honorable senator should shirk his duty in this matter. We are imposing a Tariff, and it is our duty to see that no one makes use of it unjustly.

Senator Benny has suggested the appointment of a joint Committee of this Parliament to advise the Minister for Trade and Customs in connexion with these matters. I believe that there are men in the Trade and Customs Department who could carry out this job. Under clause 7 it is proposed that the chairman of the proposed Tariff Board shall be selected from officers of the Trade and Customs Department. If there is a man in the Department eligible for the chairmanship of this Board, there is no reason why we should not be able to secure the other two members of the Board from the officers of the same Department. Surely there is more than one "plum" in the Department on whom the Minister can lay his hands. It looks as if we are to have another huge Department of the Public Service built up. Honorable senators are aware that once a Department is started it is impossible to say where it will end,

and for this reason I am opposed to the creation of a new Department to deal with these matters arising out of the Tariff. The Trade and Customs Department is well represented in every one of the States, and in it we have all the machinery necessary to secure the information which the Minister for Trade and Customs requires to see that no undue advantage is taken of the Tariff.

There is nothing like envy to create abuse. If a man is successfully carrying on any business in this country it is not difficult to find men ready and willing to abuse him. If a man carrying on an industry in Western Australia is suggested as a person whose business needs inquiry, we shall have the chairman and the other two members of the Board, I presume, a secretary, and also a typewriter, going across to Western Australia to inquire into this man's business.

Senator PRATTEN.—The whole entourage.

Senator WILSON.—Yes, out for a jaunt. They will go to Western Australia, make their inquiries there, and return to Melbourne to report. I say that we have in each of the States branches of the Trade and Customs Department which could carry out local inquiries of this kind in all the States. I have no objection to a man occupying so responsible a position as chairman of the proposed Board getting a salary of £1,400 a year.

Senator PRATTEN.—Personally I do not think it is enough.

Senator WILSON.—I am disposed to agree with the honorable senator. I, however, disagree with the Vice-President of the Executive Council when he said that he could find 200 men ready and willing to do the work of this Board for nothing.

Senator RUSSELL.—I already have 111 of my 200, because Senator Bakhap has said that all the members of this Parliament are willing to act on the Board.

Senator WILSON.—My answer to the Minister is to ask him why men draw fees as members of Royal Commissions?

Senator E. D. MILLEN.—As the honorable senator was a member of the Cockatoo Dockyard Royal Commission he might be able to tell us.

Senator WILSON.—I happen to be a member of the Joint House Committee, and I do not propose to draw any fees, even if they are available.

Senator PEARCE.—Perhaps the honorable senator does not deserve any.

Senator WILSON.—I regard that as a very ungenerous remark. I think some very useful work is done by the Joint House Committee in a quiet way.

The PRESIDENT (Senator the Hon. T. Givens).—That is not a proper subject of discussion on the second reading of the Bill before the Senate.

Senator WILSON.—I quite agree with you, sir.

If the second reading of this Bill is passed it is my intention when it is under consideration in Committee to move that the two members of the proposed Board other than the chairman, who, perhaps, will not be required to sit more than once a week, shall be allowed £650 a year for sundry expenses, and I shall move the addition of a new sub-clause to clause 8 of the Bill limiting the amount which may be spent on the Board in any one year to £3,000.

Senator DUNCAN.—The honorable senator wants to hamstring it at once.

Senator WILSON.—I want to curtail expenditure upon it. It is idle of public men to talk of economy unless they are prepared to practise it.

Senator RUSSELL.—I thought the honorable senator went in for economy. The departmental estimate of the expenses of the Board is £1,000 a year. The honorable senator is prepared to offer £3,000 a year. I accept his offer.

Senator WILSON.—I did not offer £3,000 a year, but I said that I would limit the expenditure upon the Board to that amount. Judging from my experience of departmental estimates, I am inclined to say that if the departmental estimate in this case is £1,000 a year, before the proposed new Department is long in existence it will be a satisfaction to the country if the expenditure upon it is limited as I suggest to £3,000 a year.

Some honorable senators are evidently anxious to be guided by the reports of Boards and amongst them particularly my honorable friends from Queensland who are supporting this Bill. I take the liberty of quoting something from a report by a Commission comprised of Mr. Swinburne, Mr. Piddington, and Mr. Lockyer, three men of unquestioned ability. Amongst their recommendations I find the following:—

The Commission is of opinion that the Tariff exercises little, if any, influence on the cultivation and marketing of bananas, and that

any increase in the Tariff would merely increase the price of a wholesome food without any compensating advantages.

Sir THOMAS GLASGOW.—What do those gentlemen say about currants?

Senator CRAWFORD.—What do they say about prunes?

Senator WILSON.—One step is enough for me, thank you.

Senator CRAWFORD.—Anything against Queensland industries suits the honorable senator's book.

Senator WILSON.—Not at all. I have not said that I agree with the quotation I have made. My point is that we are being asked to create another Board to call evidence and make report. Senator Reid is of opinion that these Boards do excellent work, and I ask him whether what I have quoted is the sort of finding that the honorable senator is prepared to accept?

Senator REID.—I disagree with that finding. The honorable senator did not find it, anyhow. Some one put him up to it.

Senator WILSON.—Having had six or seven weeks' experience of Senator Reid recently in connexion with a Commission, and knowing how little he does that he is not put up to, I can quite understand him charging me with failing on my own account to discover a little thing like this report, when it is left on my seat.

Senator DE LARGIE.—As a matter of fact, the honorable senator has been stealing my thunder. The pile of reports on the table belong to me.

Senator WILSON.—I put it to the Government that they must realize how difficult it would be to secure two men from outside the Trade and Customs Department to act as members of this Board who will not be directly or indirectly interested in the Tariff. Any man who is capable of considering questions of profit and loss in a trading concern must have had some experience of business, and the Government will find themselves landed in considerable difficulties if members of the Board are found to be interested in any shape or form in the Tariff. I am at a loss to understand how the Government are to secure men outside the Trade and Customs Department as members of the Board who will not be interested in some way or other with the commercial life of the country. When the proposed Board has conducted an inquiry under clause 15, the only thing it can do is to report.

Senator THOMAS.—That is something.

Senator WILSON.—I do not know that it will be anything in return for the money that will have to be spent on the Board. Then it is provided that the Minister "may"—and not "shall"—refer the report to Parliament.

Senator RUSSELL.—It is provided that all reports shall be referred to Parliament.

Senator WILSON.—When the Minister receives the report from the Board he can decide whether it shall come before Parliament or not. That being so, we shall have achieved nothing by the appointment of a Board. I am not going to consent to further public expenditure in order that members of this Parliament may be supplied with more reports than they now receive. I am one of those who believe that there is a great deal of public money wasted in connexion with the reports that are already furnished to us. They might be put on the table of the club-room instead of separate copies being sent to every member of this Parliament. I think I am justified in saying that 75 per cent. of the reports sent to members of this Parliament are not opened, but are thrown at once into the waste-paper basket.

Senator E. D. MILLEN.—Under clause 16 it is provided that a copy of every report shall be tabled.

Senator WILSON.—Then I pass on to clause 17, which takes these inquiries entirely out of the hands of the Minister. It provides that—

The Board may, on its own initiative, inquire into and report on any of the matters referred to in sub-section (2) of section 15 of this Act.

What does that mean? I agree with other honorable senators that members of the Board are not likely to sit merely for the purpose of earning their fee of £5 5s. per sitting. I think the powers of the Board should be curtailed. Unless there is a reasonable suspicion in the mind of the Minister, inquiries by the Board should not be authorized, and full power should be retained in the hands of the Minister. If the Board is to have authority to travel north, south, east, and west, at its own sweet will, honorable senators may ask the Minister question after question without getting any satisfaction, because he will have no authority to prevent the Board touring Australia in the course of its inquiries.

Senator PRATTEN.—And very likely on a fishing expedition.

Senator WILSON.—I should not say that, because the Minister has assured us that the *personnel* of the Board will be such that that body will not be subject to the temptations which he and I enjoy. I trust that when the Bill gets into Committee amendments will be made retaining full power to the Minister, who, of course, will be answerable to Parliament.

The penalties for which the Bill provides are, in my opinion, extreme. Where else do we read of a fine of £500 or imprisonment for one year as a penalty for a person refusing to come along to give evidence before a Board?

Senator PRATTEN.—And, perhaps, imprisonment without the option of a fine.

Senator WILSON.—I can assure honorable senators that if I were ever in that position, I should feel obliged to take twelve months instead of paying the £500 cash. The thing is ridiculous in every respect.

Senator PRATTEN.—In some cases the imprisonment may be for a term of five years.

Senator WILSON.—That only makes the Bill so much the worse. I am totally opposed to penalties of that sort.

I notice that in clause 34 an employer who dismisses an employee for having appeared as a witness before the Board will be guilty of an offence, and liable to the fine mentioned. I say unhesitatingly that the usual procedure is to throw the onus on the employees to show proof, and not to allow the employer to be placed, possibly, in a false position.

I acknowledge that the Government have made an attempt in the Bill to do something for the consumers of this country. If we want to build up the industries of the Commonwealth we must have a Tariff wall sufficiently high to keep out imported commodities that are likely to enter into competition with our own products, but at the same time we should see that Australian manufacturers are prepared to produce on reasonable lines, and sell at reasonable prices. In a country like Australia there are very few industries that can stand up in competition with the products of cheaper labour in foreign countries. As an Australian standing for Australia at all times, I believe in the policy of doing everything possible to

facilitate and encourage the development of our secondary industries, but it is my intention to oppose the creation of any new Board, because I consider that course will involve unnecessary expenditure at the present juncture.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [9.22].—I have listened with very considerable interest and, may I say, with some amusement, to the debate upon this measure. My interest, I may add, has been tinged with this one regret: that, familiar as we are with the very forceful eloquence of Senator Bakhap, he did not inform honorable senators of the language he employed towards the university professor he referred to. Some honorable senators have expressed surprise at the introduction of the Bill. May I remind them that it is usual for a Government to attempt to redeem its pledges. This Bill is presented as a redemption of a very definite pledge which the Government gave to the Federal electors on the last appeal to the country, and I submit that those honorable gentlemen who won their seats in this Chamber as supporters of the Government, unless they specially exempted themselves from that pledge, are under some obligation to support the measure, which, as I have shown, is a redemption of the promise then given. No criticism which has been made during this debate can in my judgment be regarded as a sufficient reason for the rejection of the Bill on the plea that it does not redeem that pledge.

Senator PRATTEN.—The Minister has not been here all the time.

Senator E. D. MILLEN.—I have been here quite long enough.

Senator WILSON.—The Minister need not be too severe on those honorable senators he had to listen to.

Senator E. D. MILLEN.—I am not severe at all. I do not consider that I was being treated with severity in having had to listen to the speeches to which I have referred. However, this Bill is an attempt to redeem a pledge that was given to the electors of the Commonwealth. The Government pledged itself to bring in a Protectionist Tariff, and at the same time to accompany it with legislation to secure some measure of security for the consumers.

Senator THOMAS.—When was that pledge given?

Senator E. D. MILLEN.—At Bendigo, by the Prime Minister (Mr. Hughes).

Senator BENNY.—That pledge can be redeemed by appointing a Parliamentary Board.

Senator E. D. MILLEN.—I admit that it may. But this Bill is the Government's attempt to redeem the pledge. If, in the opinion of honorable senators, it is faulty, then there is an obligation upon them to substitute for it some workable proposition which will have the same effect. Having redeemed the pledge with regard to the Tariff, are honorable senators going to ignore the supplementary portion of the pledge? Some exception was taken by Senator Bakhap and other honorable senators to the assumption that manufacturers are an extremely lawless section of the community, whose one desire is to ravage the purses of the consumers of the Commonwealth. There is no need to assume that at all; but I never yet met any body of men amongst whom were not some one ready to serve his own personal advantage, regardless of the rights of the rest of the community.

Senator PRATTEN.—Even among the elect of the people.

Senator E. D. MILLEN.—Even among the elect of the people, as the honorable senator suggests. There is always one black sheep in every flock, and it is a very small flock in which there is not more than one. I may add that the Senate is a small flock, and will leave it at that.

It is no new theory that is being preached in this Bill. Almost from the inception of Federation the principle has been accepted by Protectionists that there is always a liability of Combines being so organized as to take unfair advantage of the consumers. But we should recognise that 99 per cent. of the manufacturers are always prepared to do the decent thing.

Senator FAIRBAIRN.—And we are going to penalize 99 per cent. of the manufacturers for the sins of one.

Senator E. D. MILLEN.—Only in the same sense that we penalize every honest man by appointing the policeman, because there is one man in ninety-nine who requires watching.

Senator THOMAS.—And 99 per cent. of the manufacturers are to be obliged to sell at higher prices because one man desires to do so?

Senator E. D. MILLEN.—The purpose is to make one man who may not be prepared to do the fair thing by the consumers to come into line with the ninety-nine.

Senator THOMAS.—If he sells at a higher price than the ninety-nine manufacturers, may we not assume that the ninety-nine can very well look after themselves?

Senator E. D. MILLEN.—If they were in the same trade, yes. There can be no doubt about the possibility of Combines being created. It savours almost of hypocrisy to deny the existence of this evil. I had been associated with my Department only a few months before I was aware of it, and I dare say that if I were a manufacturer myself I would declare that the circumstances of the business compelled me to do as others did. But we should be failing in our duty to the community if we neglected to take the necessary precautions to protect the consumers. If no offence is being committed then this Bill, in its operation, will not interfere in any way with trade.

Senator PRATTEN.—Theoretically, the Minister is right; experience teaches us he is wrong.

Senator E. D. MILLEN.—The Protectionists themselves have intimated to the Minister for Trade and Customs that they welcome this legislation.

Senator FAIRBAIRN.—They will say anything when they want a higher Tariff.

Senator E. D. MILLEN.—Now, that is Senator Fairbairn's verdict of the manufacturers! He declares that they will say anything when they want a higher Tariff. If they are of that type, then we are quite justified in passing this Bill. The Protectionists, I repeat, approve of this measure as an evidence of some guarantee that the public interest is being protected. They realize that if, here and there, a combination of manufacturers is allowed to exploit the public, the cause of Protection will stink in the nostrils of the people. This Bill is an assurance that, while Australia with generous hand has taken all possible steps to give the manufacturers ample opportunities to develop their industries, it is at the same time a precautionary measure against the exploitation of the consumers. If honorable senators who are objecting to the method adopted by the Government

can suggest a better, the Government will welcome any suggestion that may be made. The Government feels that it ought to redeem its pledges, and that there should be some provision in the laws of this country to safeguard the consumers. I base this view upon the remarks made by honorable senators to-day. I think that there has been a very fair balance of opinion. Many honorable senators have spoken upon this measure, but one-half of them have answered the other half. Hardly two objections to the Bill have been addressed to the same point. The majority of those objections were not aimed at the principle of the measure itself, but were such as might properly be dealt with in Committee.

Senator PRATTEN.—Will the Minister touch upon the question of the duplication of the activities of various Boards?

Senator E. D. MILLEN.—I was coming to that. It was too tempting an opportunity for me to pass. Perhaps I may be permitted to deal with it at once. It has been said here—and the statement has been repeated apparently with great satisfaction—that this Bill seeks to create a new Department, and the most awful pictures have been drawn of the tremendous addition which will be made to our public expenditure. At the very moment that utterance was made, it was suggested that, instead of a Board of three members being created as is proposed in the Bill, we should appoint to these positions officers of the Customs Department; and the gentlemen who expressed that view seemed to think that they were economists. But, if we are going to withdraw senior and responsible officers from the Customs Department to undertake this work, who will take their places?

Senator WILSON.—The Vice-President of the Executive Council (Senator Russell) said that there would be a meeting of the Board only about once a week.

Senator E. D. MILLEN.—I quite recognised that when I put a definite question to the Senate, Senator Wilson would seek to avoid a definite answer being given to it.

Senator THOMAS.—That question was answered by Senator Payne, who pointed out that, on account of the heavier duties which have been imposed under the

Tariff, we shall not in future collect so much revenue, and consequently will not need so many officers.

Senator E. D. MILLEN.—If increased duties mean a reduction of staff, my argument will still hold good. Whether we have a staff of 100 or 1,000 officers, if a Board be appointed consisting of three of those officers, we shall still require to fill their places.

Senator BENNY.—Why not have members of Parliament upon the Board?

Senator E. D. MILLEN.—The objection to the Board seems to be an objection merely to a name. “A rose by any other name would smell as sweet,” but to-day anything that is called a Board seems to be thoroughly objectionable. If the work of the proposed Board were intrusted to three officers, and if, in deference to the susceptibilities of honorable senators, we called those officers a Committee, would it make any real difference? We should still have three men the bulk of whose time would be devoted to this work.

Senator PRATTEN.—Then the Minister admits that they are going to do a lot of work?

Senator E. D. MILLEN.—I anticipate that they will have their hands full.

Senator DUNCAN.—That is a different statement from that which was made by the Vice-President of the Executive Council.

Senator E. D. MILLEN.—The Vice-President of the Executive Council and I belong to a party in which a breach is not created merely because we hold different views. Senator Russell is a much better authority than I am upon Customs matters, but for some time to come I think that the proposed Board will have quite as much work to do as is healthy for any ordinary human beings. That disposes of the contention that the appointment of departmental officers would mean economy. In my opinion, one system would cost as much as would the other. I wish now to point out why the creation of a Board appears to be necessary. It is not proposed by this Bill to confer any additional power upon the Minister. As a matter of fact, every power that the Board will possess could be exercised by the Minister to-day.

Senator PRATTEN.—Then why do we require this Bill?

Senator E. D. MILLEN.—I will tell the honorable senator if he will restrain his impatience. To-day many matters are dealt with by the Minister by means of departmental by-laws and under administrative authority. One of the principal complaints which have been voiced during recent years has been the growing disposition on the part of Ministers to grab power and to act autocratically. I have heard Ministers of Customs denounced because in some arbitrary way, behind closed doors, they have done something which affected the trade and industry of this country. I must convey to the present Minister for Trade and Customs (Mr. Greene) how great a compliment has been paid to him to-day, and I shall have pleasure in informing him of the infinite and touching faith which honorable senators have in his judgment and industry. The compliment was well deserved, I think, even if it was not intended. There are many important matters which the Minister has now to determine; if I may be permitted to use the phrase, "off his own bat." But that fact does not relieve him of responsibility. The Bill before us provides that before the Minister can take important action he must obtain the advice of the proposed Board. The things which he can do to-day without any advice he will not be entitled to do, if this measure becomes law, until he has secured the advice of this expert body. The reports of the Board must be laid before Parliament itself.

Senator REID.—Has the Minister the power to obtain information, which the Board will possess?

Senator E. D. MILLEN.—No. In order to enable the Board to work satisfactorily, it is necessary that it should have access to information. It is a matter upon which Australia may congratulate herself that, whilst the Customs Department does open the door to the suggestion of fraud, that Department has come through the ordeal without any suspicion of the kind. That is something of which we have reason to be proud. But with increased Customs duties, and with our trade becoming a little more

complex in consequence, it does seem to me somewhat unfair to call upon the Minister to decide all these matters himself. Under the Bill, whilst the responsibility for acting will be his, it will be an assurance to the people generally to know that before he can act he must at least have the report of the Board. If he takes the responsibility of running counter to its recommendations, Parliament will at once have its attention drawn to the matter, and that very circumstance will cause Parliament to scrutinize his action very carefully. When we consider the wide ramifications of the Tariff, and the multiplicity of trade interests which are involved in it, honorable senators will see that the Minister is entitled to the advice which such a Board can give to him.

Reference has been made to the creation of a new Department. There seem to be times when certain terms become bugbears. How will a new Department be created by the appointment of three men as a Tariff Board any more than by pushing three officials into the positions? I recognise the tendency of Departments to grow; but the Minister for Trade and Customs could, if he chose, to-day appoint three officers to do this particular work. The Bill will give the Board a statutory place, and a statutory authority; and it will place upon the Minister the obligation to act, not upon his own volition, or his own prejudice, or upon ill-considered information which may be supplied to him, but upon the advice of three men who have been specially appointed to deal with certain matters, and who in a short time will become experts in regard to them.

Senator PRATTEN.—And the passing of the Bill will also cause us to incur extra statutory expenditure.

Senator E. D. MILLEN.—I am surprised at Senator Pratten taking up such an attitude, because he is known all over Australia as one of the high-water-mark Protectionists.

Senator PRATTEN.—That is only the Minister's description of me.

Senator E. D. MILLEN.—If the honorable senator will allow me a minute or two, probably I shall be able to think of a more picturesque description of him. At any rate, I have never heard him accused of being a low Tariffist.

Senator PRATTEN.—The honorable gentleman will see exactly what I am when we come to deal with the Tariff schedule item by item, and I shall be judged by my votes.

Senator E. D. MILLEN.—Of course we are all judged by our votes, but we are also judged by our speeches. I thought that the honorable senator rather prided himself upon being a thorough-going Protectionist.

Senator PRATTEN.—I like that phrase better than I do the other one.

Senator E. D. MILLEN.—If the honorable senator objects to being called a Protectionist, I shall willingly withdraw the imputation. But of all people who have anything to gain from this Bill, the manufacturers themselves have most. Time and again they have declared that, because of the Tariff, their prices would not be raised. How then can they reasonably object to showing their *bona fides* by supporting this Bill?

Senator PRATTEN.—The honorable gentleman said that they were supporting it.

Senator E. D. MILLEN.—So they are.

Senator PRATTEN.—Then why set up an Aunt Sally?

Senator E. D. MILLEN.—Because I thought that the honorable senator was their spokesman.

Senator PRATTEN.—I am a representative of New South Wales in the Senate.

Senator E. D. MILLEN.—The honorable senator keeps New South Wales very well informed of the fact. It has been stated that this Bill will interfere with business. But every law interferes with somebody's business. Yet we have not torn up the statute-book upon that account. The question we have to consider is whether it is advisable to appoint this advisory body. Unless honorable senators desire the Government to break the pledge upon which they secured election—

Senator THOMAS.—We would not like the Government to break a pledge.

Senator E. D. MILLEN.—I know that Senator Thomas, though not a candidate at the last election, was one of those who went round the country, and urged the people of the respective States to return this Government to power. He impressed upon them that the Government would redeem their pledges, ob-

viously urging for acceptance the platform to which they were committed. Consequently he should either help us to pass the Bill into law, or put up some other practicable proposition to enable us to redeem our pledge.

Senator KEATING.—Did he promise to give our manufacturers protection?

Senator E. D. MILLEN.—I cannot say that I heard him promise that in specific terms.

Senator THOMAS.—I wish the Government would fulfil their promises about Canberra.

Senator E. D. MILLEN.—No doubt, at the proper time and place, I shall be able to show that the Government are endeavouring to do their best in that direction. But I always hesitate to incur your displeasure, sir, by indulging in irrelevancies, and therefore I must allow the honorable senator's interjection to pass. I ask honorable senators to agree to the second reading of the Bill, and in Committee to bring forward their proposals for improving it. I assure them that to all such proposals the Government will give their best attention.

Question—That the Bill be now read a second time—put. The Senate divided.

Ayes	19
Noes	11

Majority	8
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AYES.

Bakhap, T. J. K.	Millen, E. D.
Bolton, W. K.	Payne, H. J. M.
Buzacott, R.	Pearce, G. F.
Cox, C. F.	Plain, W.
Crawford, T. W.	Reid, M.
de Largie, H.	Rowell, J.
Duncan, W. L.	Russell, E. J.
Glasgow, Sir Thomas	Senior, W.
Guthrie, J. F.	Teller:
Henderson, G.	Earle, J.

NOES.

Benny, B.	Millen, John D.
Drake-Brockman, E. A.	Pratten, H. E.
Elliott, H. E.	Thomas, J.
Fairbairn, G.	Vardon, E. C.
Givens, T.	Teller:
Keating, J. H.	Wilson, R. V.

Question so resolved in the affirmative. Bill read a second time.

In Committee:

Clause 1 agreed to.

Progress reported.

Senate adjourned at 9.53 p.m.

House of Representatives.

Wednesday, 20 July, 1921.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 2.30 p.m., and read prayers.

UNEMPLOYMENT.

CONFERENCE OF PREMIERS.

Mr. FENTON.—Seeing that we are living in a vast and almost undeveloped continent, and that it is the reproach of our people, and particularly of our Parliament, that tens of thousands of our population are out of employment, will the Acting Prime Minister call a Conference of the Premiers, with a view to doing something, if possible, to alleviate distress, and to give employment by making use of the vast assets with which we are doing nothing at present?

Sir JOSEPH COOK.—I should like to consider this matter, and to be in a position to propose something of a concrete character, before calling the Premiers together.

Mr. FENTON.—Let us do something in a big way, if we can. Reproductive works are waiting to be carried out.

Sir JOSEPH COOK.—I should be very glad to do something if I could, but, as Treasurer, I have my difficulties, just as the Premiers have theirs. My purse, any more than theirs, is not unlimited. I can spend only what the credit of the country will permit me to spend, and they are in the same position. As soon as I have time to think over this matter seriously and calmly, I shall do so, and shall be glad to try to give help.

CONFERENCES AT WASHINGTON.

Mr. RYAN.—When does the Acting Prime Minister propose to make a statement about the communication from the Prime Minister on the subject of the Washington Conference?

Sir JOSEPH COOK.—(By leave.)—There really is not very much that I can tell the honorable member which he has not already learned from the newspapers. The latest suggestion is for the holding of two Conferences, one to consider Pacific problems generally, and more particularly the renewal of the Anglo-Japanese Treaty, and the other to consider the

question of disarmament, which is of interest to the whole world. It is not settled where the Conferences shall be held. As honorable members know, the press of America strongly urges that both Conferences should meet at Washington. That, no doubt, will suit the convenience of persons living in or close to America, but it would not suit the convenience of many others.

Mr. MATHEWS.—Especially when our Prime Minister has been ordered to come home and take his gruel.

Sir JOSEPH COOK.—I have not the slightest doubt that the Prime Minister, when he returns, will be prepared to take any gruel that may be offered to him. We need not bother about that matter now. I cannot say what the opinion of the Canadians may be as to the place for holding the Conference, Canada being the immediate neighbour of the United States of America; but it is our view, and, I should think, the view of Mr. Massey and of General Smuts, and also that of the British Government, that the Pacific Conference should be held in London, so that the Dominion Prime Ministers might attend it. The proposal to hold this Conference has developed from the consideration of the renewal of the Treaty between Great Britain and Japan, it being found that two other countries are vitally interested in it, and that before any satisfactory arrangement can be made, their representatives must be consulted. One of these countries is the United States of America, whose problems in some ways resemble ours, and the other is China. I am profoundly glad that China has been invited to send representatives to the Conference. It would mean a great deal to the peace of the world if a working understanding could be arrived at between the Powers and China, and particularly between Japan and China. Therefore, it is obvious that China must be at the Conference table. If the Conference were held in London, our Prime Minister could attend it, and return home on the scheduled date.

Mr. FENTON.—Has he, and have the representatives of the other oversea Dominions, been invited to the Conference by the President of the United States of America?

Sir JOSEPH COOK.—The Empire has been invited to send representatives, and I anticipate no difficulty in connexion

with our representation at the Pacific Problems Conference. It is important that the Prime Ministers of the Dominions should be in London when the Conference is taking place, even if they have not a seat at the Conference table. Above all things, it is important that Australia's Prime Minister should be there, because this country has more to gain and more to lose by the decisions that may be arrived at than any other on the face of the globe.

Mr. RYAN.—For that reason the Conference should be held here.

Sir JOSEPH COOK.—No doubt that would be a convenient arrangement.

Mr. RYAN.—The suggestion is a reasonable one.

Sir JOSEPH COOK.—Quite; but we may consider it later. I say advisedly that when the Pacific Conference takes place, our representative must be at it, no matter what may be the position of affairs here or elsewhere. It is vital and imperative that we should be represented at that Conference. Therefore, I hope—and in saying this I express my own opinion—that it may be found convenient to hold the Conference in London in order to meet the convenience of the Dominion Prime Ministers. For us the centre of all things, naval and economic in particular, is shifted to the Pacific, and, as somebody pointed out the other day, the Pacific is to us what the Mediterranean is to Europe. Therefore, it is doubly important that all these countries should be represented on the Pacific Conference when it takes place. How important it will be may be easily estimated when one remembers just what the Pacific means. There are 1,000,000,000 people whose frontiers are, roughly, the Pacific Ocean. Our own Empire in the Pacific, China, Japan, and America, alone hold considerably over 1,000,000,000 of the population of the world. Another fact that needs stressing is, that of those 1,000,000,000 people one may expect to find that not all are strongly in favour of a White Australia. Therefore, whatever happens, Australia must be represented at that Conference, and every effort will be made to have the Conference held in London, to suit the convenience of Dominion delegates.

As to the question of disarmament, the Conference in regard to it will be supremely important from a world point

of view, but I submit that it will not be as important to us as will the other.

OPPOSITION MEMBERS.—More so.

Sir JOSEPH COOK.—I am speaking of the practical side of the question and of the immediate problems to be solved. If either one of the Conferences is to be unattended by Australia's delegate, I say at once that it should be the disarmament Conference, because Great Britain could, if necessary, quite well represent the whole of the Empire at a gathering of that kind. Let me not be misunderstood; I say it is important that we should be represented at both Conferences, but it means everything to us that our delegate should attend the Pacific Conference. The Prime Minister's present intention is to return to Australia on schedule time. He will be here, I understand, in the first week of October, and these Conferences can quite well take place within the time already allotted in his programme. If it should happen that both of these Conferences take place in Washington, an entirely different situation will arise. But until it does arise, I think we need only proceed on the assumption that the Prime Minister will return as he promised the House he would. If the two Conferences converge in Washington, the whole matter will require to be seriously reconsidered. Therefore, this is not my last word on that particular aspect of the question. I have told the House my impression, from all I have been able to gather, of what is taking place overseas.

There is another matter in regard to which I crave the attention of the House. It has to do with a debate that took place in this Chamber a few days ago, and with a resolution that was carried by a certain party. I submit to honorable members the following cablegram that has reached me from the Prime Minister:—

Australia has been given all the information which could be given at this juncture. It is well to remind those who ask for information relating to foreign and Imperial policy that useful discussion upon relations with foreign countries, or upon matters of vital importance to Empire—such as defence—would be impossible if conducted on lines suggested. The representatives of various parts of the Empire gathered round the Council table are charged with the grave and responsible duties of conserving the interests and insuring the security of the Empire as a whole and of every one of the Nations that compose it. They cannot hope to succeed if premature disclosure is made to the whole world, and disclosure to the Par-

liaments must mean this—not only of the policy recommended by the Conference, after that has been agreed upon, but of the views of the various members and the arguments advanced for or against any suggested policy.

When the Conference has finished its labours, its recommendations—which are all subject to approval by the respective Governments and ratification by Parliament—will be made available to Parliament. But if the Conference is to give to the various Parliaments of Empire wise and prudent counsel, there must be complete frankness of speech at meetings of the Conference. All the facts must be made available and carefully considered.

It is inevitable that reference must be made to foreign countries. We live in a world of realities; we are the duly chosen counsellors of a very great Empire. Every member represents a great Dominion which has special interests to protect, a great heritage to develop, particular problems to solve. Every part of the Empire—except, perhaps, Britain herself—depends for its very existence as a free nation upon the power of a united Empire. It would be idle to deny that the Empire has its critics, and its very greatness is in itself sufficient explanation of this.

I need not point out that a great and rich continent like Australia, with only 5,500,000 of people, must walk warily and not shout its secrets from the housetops. Other nations do not. At this very moment Lloyd George and De Valera are discussing matter of great moment in secret, and Sir James Craig says that it is right that only the official communiqué should be published.

There is, too, another reason why we cannot and ought not to act as our critics desire. We are members of a Conference, and must be governed by the procedure which that body decides to adopt. It has been decided that information upon certain important matters shall come through one channel, viz., the Secretariat of the Prime Minister of Great Britain. The official communiqué is the only information permitted, except where the Conference otherwise decides. Wherever it has so decided I have made public the very fullest information. Further, I have kept my colleagues supplied with the very fullest confidential reports. What the Conference has done, and is endeavouring to do—everything that has taken definite shape or is in a fair way of doing so—is in your hands.

I stated in most definite and unambiguous terms in Parliament that the Commonwealth would not be committed to any scheme of naval or foreign policy, or involved in any expenditure, by any act of mine, but that all (after explanation by me and full discussion by the Legislature) should be subject to ratification by Parliament. For my attitude in regard to the renewal of the Anglo-Japanese Treaty and American connexion therewith, I refer to my speech dealing with these matters. I hold myself bound by the declarations contained therein.

I was sent here to represent Australia. My views were plainly stated. My instructions from the Legislature perfectly clear. I am trying to uphold the interests of Australia, and do my duty to her and the Empire.

Mr. WATT.—Was that cable sent in answer to another?

Sir JOSEPH COOK.—Yes.

Mr. WATT.—Would the right honorable gentleman mind reading the other one?

Sir JOSEPH COOK.—I would not mind reading the first cable; I shall have a look at it and see. So far as I know, there is no reason why I should not read it.

Mr. GREGORY.—What is the party resolution referred to?

Sir JOSEPH COOK.—The resolution which the honorable gentleman's party passed the other day.

Mr. GREGORY.—With regard to the publication of information?

Sir JOSEPH COOK.—It is the resolution which your Leader (Dr. Earle Page) has been publishing ever since.

Mr. GREGORY.—We have never made any request for the publication of information; we are quite satisfied with what we get.

Sir JOSEPH COOK.—But the honorable gentleman's party thinks that the Prime Minister ought to come home as soon as possible. There are more important things than the Prime Minister's coming home, and the greatest of them is represented by the issues involved in the Pacific Conference.

SOLDIER SETTLEMENT.

PAYMENTS FOR LAND.

Mr. MARKS.—With reference to the question I asked yesterday on the matter of Soldier Settlement, I wish to know whether the Treasurer will invite Mr. Lang, the New South Wales Treasurer, to come and confer with him?

Sir JOSEPH COOK.—I am not prepared to invite Mr. Lang to come to Melbourne; I do not think it is my duty to do so. If Mr. Lang wishes to see me I shall be very glad to meet him; but if Mr. Lang utters these constant diatribes in his own State, I do not think he ought to expect me to invite him over.

Mr. MARKS.—In the meantime the soldiers are suffering.

Sir JOSEPH COOK.—The soldiers are suffering through no fault of mine. If Mr. Lang wishes to confer with me, I shall be delighted to see him.

PROUTFOOT SHOAL, TORRES
STRAIT.

LIGHT REQUIRED.

Mr. BAMFORD asked the Minister for Trade and Customs, *upon notice*—

1. Whether he is aware that no light now exists in the Proudfoot Shoal, Torres Strait, which shoal is dangerous to the navigation of the strait?

2. Is it a fact that all the necessary plant for the establishment of a light on this shoal is now, and has been for the past two years, lying in Brisbane awaiting erection?

Mr. GREENE.—The answers to the honorable member's questions are as follows:—

1. Yes.

2. Yes, but owing to circumstances beyond the control of the Department, in that it has not been possible to obtain the necessary steamer attendance.

ANTHRAX FROM TOILET
BRUSHES.

Dr. MALONEY asked the Minister for Trade and Customs, *upon notice*—

In view of the cases of anthrax reported in the press, and reputed to be caused by Japanese shaving brushes, &c., will he communicate with Japan in order that justice may be done by that country, and greater safety provided for Australians?

Mr. GREENE.—The Department has, during the past two years, been in communication with the Government of Japan, through the Consul-General at Sydney, on the question of insuring effective disinfection of hair used in the manufacture of shaving brushes and other brushes imported into Australia. Representations having been made by the Consul-General in June, 1920, that satisfactory arrangements had been made by the Japanese Government for complete disinfection of the hair used in the manufacture of brushes, and for furnishing official certificates of disinfection, the prohibition, which had been in force since February, 1920, was removed on 1st July, 1920. Owing to the result, however, of bacteriological examination of suspected brushes in December, 1920, and to certain unsatisfactory certificates, a proclamation was issued on 30th December, 1920, prohibiting the importation of shaving brushes from Japan. This prohibition is still in force.

PAPERS.

The following papers were presented:—

Defence Act—Regulations Amended—Statutory Rules 1921, Nos. 124, 125.
New Guinea—Ordinance of 1921—No. 7—Navigation Act Suspension.

SUPPLY BILL (No. 2) 1921-22.

FINANCIAL STATEMENT—WHEAT POOL—WAR SERVICE HOMES—LT.-COLONEL WALKER—TELEPHONE CHARGES—REDUCTION OF WAR GRATUITY—COMPULSORY TRAINING CAMPS: COMPENSATION FOR INJURIES—MANDATED TERRITORIES: ORDINANCES.

Message recommending appropriation reported. Referred to Committee of Supply.

In Committee of Supply:

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [2.57].—The Government have decided to proceed with the Supply Bill, so as to enable them to give a little further consideration to the measure which met with, to say the least, considerable opposition in the Chamber yesterday.

Mr. RYAN.—A mixed reception!

Sir JOSEPH COOK.—Quite a mixed reception. The Minister in charge of that measure (Mr. Greene) has arrived in Melbourne only to-day, and it is desired to consider what is best to be done in the circumstances. If the House has made up its mind that it does not desire a Dumping Bill—

Mr. FENTON.—Why not put the matter to the test?

Sir JOSEPH COOK.—The trouble is that we cannot get a test—although the Government are anxious for a test, it is impossible to get one.

Mr. RYAN.—Why not?

Sir JOSEPH COOK.—The honorable gentleman knows why not; it is because honorable members have laid themselves out to prevent a test being arrived at.

Mr. FENTON.—Many elaborate promises were made by the Government.

Mr. WATT.—This is not a very genial preface to an application for two months' Supply!

Sir JOSEPH COOK.—I am merely stating facts when I say that this matter was debated all day yesterday, and that we dealt with only one short paragraph of the proposals. I take it that it is the desire of honorable members that we shall rise

this week if we can finish our business. I hope that in the meantime we may not only deal with a Supply Bill, but finish the consideration of the other measure to which I have just referred, with a view to a test such as has been suggested, at some time or other. If we are to rise this week this Supply Bill must go to another Chamber and be sent back here before Friday, and that is why I think it cannot be longer delayed. I am asking the House for two months' Supply, which will take us to the end of September. I have already promised that the Budget will be delivered in the early part of that month, and this Bill will just about give us time for that to be done. In this Bill I am asking for nothing but carry-on expenditure. There is nothing in it that is of an unusual or abnormal character. It is merely a carry-on proposal of the barest kind. Altogether the net amount of Supply asked for under this Bill in respect of ordinary services is £4,903,879, and that added to the amount granted under the previous Supply Bill for this year will enable payments to be made up to 30th September next. Omitting special items the total of the two Bills is £7,620,803. If we deduct from that total one or two special items that we are proposing to pay immediately, such, for instance, as interest and sinking fund payable to the British Government, which amounts to £1,319,881; Treasurer's advance £1,500,000, as in the case of last year, and arrears of oversea mails £200,000, we have a total of £4,600,922 for ordinary items. I have already explained to the House the item of arrears of oversea mails, and the reason it was included in the previous Supply was to avoid payment of interest at 6 per cent. upon it.

One fourth of the annual votes for 1920-21 other than Votes for Treasurer's advance, and interest due to British Government represent £6,018,139, and therefore the total Supply asked for in respect of the first three months of the present financial year, for ordinary services, is £1,417,217 less than the proportion of the vote for the corresponding three months of last year. I promised the House that I would avail myself of this opportunity to state what had happened during the last financial year with regard to our finances. As honorable members are aware we began

the year with a surplus of £5,747,000, and the Budget estimate of the surplus at the close of the financial year 1920-21 was £240,000. I am now in a position to say, I think quite correctly, that the actual surplus will be £6,631,000 or £6,391,000 more than we anticipated.

Mr. MATHEWS.—How much of that amount represents unexpended votes on this and that item?

Sir JOSEPH COOK.—A good deal. The commencing surplus, it will be seen, was not only kept intact, but nearly £1,000,000 added to it. This result is attributable to greater revenue than we anticipated at the beginning of the year, as well as to large savings which have been effected by the Government in the course of the year. As the honorable member for Melbourne Ports (Mr. Mathews) says, we have not spent money on this, that, and the other thing. That is why we have the money in hand.

The revenue receipts were greater than the estimate by £2,161,000, the chief items of increase being—Customs and Excise £3,876,000 and income tax, I am glad to say, £751,000, while the Entertainments Tax gave us £300,000 more than we budgetted for, thanks to the action of the Senate which determined that we should not apply the process of cutting down the revenue from that particular tax. As honorable members are aware, we carried out our promises so far as we could in this House to remit a portion of that tax. The Senate decided, however, that that should not be done, and the result is that we have received £300,000 in excess of the amount that we estimated to collect from that source. The receipts under the heading of "Miscellaneous" were also £394,000 in excess of the estimate.

On the other side there were certain decreases, some of them being of a notable character. The revenue of the Postal Department, for instance, was £933,000 less than we estimated to receive. That falling off is to be accounted for in several ways. We budgetted on the basis of an increased charge in respect of postage and other things. That increase, however, did not take effect until about one-third of the year had gone, and I have no doubt that it accounts for a good deal of the decrease as compared with the estimate. While the actual revenue was

less than the estimate by £933,000, it should be clearly understood that the revenue actually received was in excess of that obtained during the previous year. The position simply is that we budgetted for more than we actually received. There was also a large decrease in respect of the war-time profits tax. We estimated that we would obtain from that source £4,000,000, but we actually got just over £2,000,000, so that there is outstanding on that account at the moment £1,916,000. On the whole, I think the revenue account may be considered to be good. In respect of some items we did not get what we expected, but we secured surpluses in other directions, with the result that the operations of the whole year show a surplus of £2,161,000 over the estimate of revenue receipts made at the beginning of it.

I come now to the expenditure out of revenue. The actual expenditure under this heading was less than the Budget estimate by £4,252,000, £713,000 being for ordinary services, and £3,539,000 on account of war services. This, I think, is satisfactory in view of the very drastic cutting down of the Estimates before presentation to Parliament, which every Treasurer has to do, and the fact that the Government had to meet basic wage and Court awards not in contemplation at the time of the Budget. During the year Court awards and the basic wage combined laid upon us an additional obligation of £1,000,000 per annum. We did not meet the full force of that additional £1,000,000 last year, but we shall have to meet it in the accounts of the present financial year. It has taken, I think, roughly £700,000 to meet claims in respect of the basic wage and Court awards during the last financial year.

The expenditure in respect of additions, new works, and buildings chargeable to revenue was less than the estimate by £970,000. The principal items in the savings on war services chargeable to revenue were as follow:—Australian Expeditionary Force, £1,447,000; repatriation of soldiers—that is to say, ordinary repatriation, vocational training, and such like items—£1,135,000; and interest on loans, £668,000. The Budget estimate of the total expenditure in respect of payments out of revenue, war loans, and works loan accounts was £98,864,000, whereas the actual expendi-

ture was £92,869,000, representing a saving, as compared with the estimate, of £5,995,000. In addition, £2,710,000 was paid in cash for war gratuities. Altogether, I think we may congratulate ourselves on a successful financial year.

Looking at the year ahead, I am not able to say much with accuracy. I am engaged in a delightful process known to all Treasurers, namely, that of grappling with a series of accounts which, upon the moment of their being seen, are recognised to be staggering. The pruning process will have to be applied rigorously if we are to make our way successfully through the next year. Therefore, it is not possible for me to speak definitely at the present stage concerning next year's figures. This much is certain, however: there will be a fall in Customs revenue. There is likely to be a fall also in receipts from income taxation, though to what extent I am unable, at the moment, to say. I do not believe that the decline is going to be as serious as many critics would have one believe. The basis of the present year's taxation is the income of last year; and when two or three things are considered, which represent largely the basis of income tax, honorable members will perceive that there is no need for as much pessimism as some people indulge in.

For instance, taking wool and wheat for the year just ended, those staples together have been equal to the wool and wheat of the year before. Wool is down, and wheat is up. During the previous year wool was up and wheat was down. Last year, moreover, all the dairymen of Australia had the year of their lives.

Mr. CUNNINGHAM.—Not all!

Sir JOSEPH COOK.—The bulk of them. The butter and cheese of last year totalled nearly £12,000,000. These considerations must express themselves in the income tax of the present year.

Mr. GREGORY.—Assessments upon wheat profits will be less on account of the profits being individually smaller.

Sir JOSEPH COOK.—The fact remains that in this country there has never yet been a year when actual receipts were not substantially more than estimates. The reason is that in a great territory, such as Australia, matters have a wonderful way of averaging themselves

up. Drought or some other untoward circumstances may injure a State's finances for the time being; may interfere profoundly with the financial position of one part of Australia. But such visitations do not often occur simultaneously over the whole of our great continent. If there is a bad year in one State, the chances are that the seasons are good in another. There are some factors, of course, which are common to all parts—considerations, for example, of trade and commerce. But as for all those things which are the real and basic support of our financial system—I speak of our great primary industries—they have a way of averaging up in this great country. This distinction must be kept in mind in estimating the condition of Australia, or of any one of the States. Last year the facts were as I have stated; and our wool, wheat, and dairy produce combined will show receipts well over the incomes received in the previous year.

Mr. FENTON.—What about the metal industry?

Sir JOSEPH COOK.—I am afraid that the Australian metal industry is in a bad way; but, for that matter, so it has been at any time during the past twelve months and more. In speaking as I now do, I merely suggest that, while there is no ground for undue pessimism, there is reason for most careful financing. We shall have less revenue, I believe; and that is why I am profoundly thankful to have this nest-egg with which to commence the year.

One or two items may be mentioned which will shed light on the subject generally. The sum of £2,000,000 outstanding in connexion with the war-time profits tax will—most of it, I think—be available this year; it is a form of postponed taxation. And then there is a total of £8,000,000 or £9,000,000 by way of direct taxation of one kind and another outstanding at the end of the year. Notwithstanding that our Departments have done so well in gathering income tax, there was a larger amount of income tax outstanding at the end of the financial year than at its beginning; so that the net receipts from income tax will represent fairly the income of the year, or possibly just a little less. Therefore, anticipating a drop in revenue—though not to the serious extent which one is apt to imagine some-

times—I have only this to say, that if our expected income is not derived we shall have to cut our coat according to our cloth. We shall have to persevere with such economies as will make it possible for us to get through the year reasonably.

There is, of course, certain bedrock expenditure which cannot be avoided except by repudiation. I take it that this House will not favour repudiating such obligations, for instance, as payment of interest and sinking fund, which will probably be increased this year; or payment of invalid and old-age pensions; maternity allowances also. I desire to break in here, by the way, to mention that I had to pay £70,000 more for maternity allowances last year than I had budgetted for.

HONORABLE MEMBERS.—Hear, hear!

Sir JOSEPH COOK.—Advance Australia! The payment is made in respect of the best of all kinds of immigrant. There are still other statutory obligations to be met, as well as the irreducible expenditure of running Departments.

With respect to War Loan expenditure, I expect this year that the expenditure on Soldier Settlement and War Service Homes will be considerably below that of last year. Although efforts are being made to reduce the amount of Works loans, a considerable reduction cannot be looked for, since it will be necessary again to provide about £3,000,000 to complete contracts for the construction of Commonwealth ships. The obligation is one with which we set out in considering our loan estimates for public works for the year. We have ordered the ships, and splendid vessels are being built for us.

Mr. STEWART.—They should be, for the money!

Sir JOSEPH COOK.—They should be, and I have no doubt that they will be, and that they will be of very great service to our primary producers. All will carry refrigerating plant and will be thoroughly up-to-date, as well as rather speedy. They are costly ships, I repeat, and will have to be paid for. There will be an item of £3,000,000, which will be set out in the Budget in connexion with public works for the new year. I cannot speak more definitely at present in regard to this year's figures, as the Estimates are still far from complete.

Mr. RILEY.—Have you not paid off a good deal of the shipping contracts?

Sir JOSEPH COOK.—We have paid off about one-half, and the remaining half will have to be met in the financial year which we have now entered.

Mr. FENTON.—You are not building to sell?

Sir JOSEPH COOK.—I am not aware of any intention to sell these ships.

Mr. FENTON.—There is a lot of talk about it.

Sir JOSEPH COOK.—Yes. People have been saying that we have been running our ships at a loss during the year, but the fact is that there has been a substantial surplus over expenditure. Whatever view one may hold as to the advisability of the Government building, owning, and running ships, the Commonwealth Line should not be decried while it is under our control. The latest figures I have of the operations of the Line during the last year show a substantial surplus.

Mr. GREGORY.—Is it a fact, as stated in this morning's newspaper, that no balance-sheet has been presented for two years?

Sir JOSEPH COOK.—The accounts are kept in London.

Mr. GREGORY.—Surely we can get balance-sheets.

Sir JOSEPH COOK.—I am going to try. One of my difficulties at the present moment is that an amount is being placed to depreciation which is almost double that placed to depreciation by ordinary shipping companies. An enterprise that can afford to do that is doubly sound; but a little internal arrangement will have to be made between Mr. Larkin and the Treasurer from time to time, because, incidentally, the revenue is being deprived. At any rate, the Line earned a very large profit last year, amounting to nearly £450,000, of which nearly £335,000 has gone to depreciation and other charges, which are in the nature of an insurance.

Mr. HECTOR LAMOND.—A very wise policy.

Mr. PROWSE.—A good business provision.

Sir JOSEPH COOK.—It is a business provision in favour of soundness, though it deprives me of some revenue.

At the beginning of the last financial year the gross public debt amounted to £381,415,000. During the year new debt was created amounting to £38,472,000; but we also redeemed £18,292,000, making the actual increase of the debt £20,180,000, so that on the 30th June last the gross debt stood at £401,595,000. But the net, or dead-weight, public debt is much less than that. The sum of £70,000,000 must be deducted from the amount I have just given, because we are being paid interest, which we pass on to the creditor. The sum of £70,000,000 represents the indebtedness of the States to the Commonwealth for soldier land settlement, War Service Homes, and advances for public works, &c., on every penny of which we receive interest. During the year £800,000 was received in respect of advances on War Service Homes. The soldiers are standing up to their obligations wonderfully well.

Mr. CHARLTON.—The repayments will continue to increase?

Sir JOSEPH COOK.—I hope so. We have not yet begun to get much back from our advances for soldier settlement, but that will come at the proper time.

Mr. STEWART.—Are any conditions attached to the repayment of advances to the States for soldier land settlement?

Sir JOSEPH COOK.—The States have thirty or thirty-five years in which to repay those advances.

Mr. STEWART.—Is the repayment made in equal instalments spread over the whole period?

Sir JOSEPH COOK.—Yes; but I do not think that it begins until after the lapse of three years. The war expenditure of the last twelve months is almost wholly recoverable in this way, and so, although the gross debt increased during 1920-21 by £20,180,000, the net dead weight debt, that is, the debt which does not earn interest, was decreased during the year by £9,320,000.

Mr. GREGORY.—I understand that some confusion has been caused by the publication of statistics which debit against both the States and the Commonwealth money advanced by the Commonwealth to the States.

Sir JOSEPH COOK.—Our advances to the States are included in the sum of £70,000,000 to which I have just referred.

Mr. RYAN.—You spoke of having redeemed bonds. To what value have bonds been redeemed?

Sir JOSEPH COOK.—We had a windfall during the year by the transfer of the Notes Branch to the Commonwealth Bank, which gave us £7,780,524. That was the amount of profits which had accumulated over a series of years, and I thought that the best thing to do was to put it out of the way of temptation by applying it to the redemption of the public debt. In the statement of the total debt the sum of £223,814 was put down for Northern Territory loans, and as that amount was paid off out of the ordinary works loan fund which is included in the statement of the total debt, a reduction of like amount has to be made. There have also to be deducted the payments of accrued deferred pay to the Australian Imperial Force from War Loan Fund amounting to £245,280, and Treasury bills raised for war purposes in 1919-20; redeemed out of revenue 1920-21, £903,000; war gratuities paid out of War Loan Fund, £2,710,897; war-saving certificates redeemed out of Loans Sinking Fund and war loan securities re-purchase account, £3,482,046; and inscribed stock and bonds, war issues, surrendered in payment of estate duty, and redeemed out of Loans Sinking Fund, £946,310. These items, together with the reduction in the original estimate of the cost of the war gratuity—£2,000,000—total £18,291,871, by which the statement of the total debt must be reduced.

Mr. RYAN.—When were the bonds due that you redeemed out of the profits of the Notes Branch?

Sir JOSEPH COOK.—I do not remember.

Mr. RYAN.—You are now going to float another loan, and you have put cash into the purchase of bonds falling due in the future?

Mr. WATT.—The Act authorizes the Treasurer to do that.

Mr. RYAN.—Yes. I am merely querying the wisdom of what was done.

Mr. WATT.—It is good business to prop the market.

Sir JOSEPH COOK.—In any case, I think that an accumulation of that kind should be put out of the way of current

account. I hope that honorable members will be satisfied, for the moment, with this brief review of the operations of the year. The statement is necessarily incomplete, and amounts only to a suggestion of the obligations with which we are confronted this year, which will be very heavy. We shall have to meet them in accordance with our resources, and shall try, as far as possible, to pay our way as in the past.

Mr. RYAN.—Have you any report from the Taxation Commission? I think you referred some time ago to an interim report.

Sir JOSEPH COOK.—I have no report from the Commission, though I expect one in time for the Budget speech. The members of the Commission have not yet finished the taking of evidence, but have visited, I think, every State except South Australia. When the taking of evidence is concluded, we may expect at least an interim report very soon, and it will be of guidance to us in dealing with new Budget proposals. I move—

That there be granted to His Majesty for or towards defraying the services of the year 1921-22 a sum not exceeding £4,903,879.

Mr. RYAN (West Sydney) [3.34].—It is impossible to enter upon a thorough criticism of the statement just made by the Treasurer until we have had an opportunity of reading it, and that I trust the right honorable gentleman will facilitate; but there are one or two matters with which I wish to deal now. The first, and perhaps the most important, to-day affects that large and important section of the community, the wheat-growers. The Treasurer (Sir Joseph Cook) has referred to the fact that our great primary industries seem to adjust themselves, and, as a general rule, average up so that the gross return from them is substantially the same in each year. But I gather from a close reading of the statements of the right honorable the Prime Minister (Mr. Hughes), both in the public press and in *Hansard* in the form of replies to questions by honorable members, that the Government have made a very distinct change in their policy with regard to promoting the formation of and assisting in the financing of a Wheat Pool.

Sir JOSEPH COOK.—In what way?

Mr. RYAN.—Perhaps I cannot do better than refer the Treasurer to an answer he gave in this House on the 22nd June—

FUTURE WHEAT POOLS.

Mr. PARKER MOLONEY.—In view of the Acting Prime Minister's statement in the press concerning the Wheat Pools, I should like to know if it is necessary that, before the Commonwealth Government become associated with the Pools, there should be complete unanimity amongst all the wheat-growing States, or whether a Pool may be formed if the majority of the States are in agreement?

Sir JOSEPH COOK.—The conditions laid down by the Prime Minister (Mr. Hughes) for the future pooling of wheat are the same as those applying to the recent Pool, namely, that there shall be a ballot of the wheat-growers and unanimous acquiescence on the part of the State Governments. The conditions, so far as I understand the position, have not been varied in any way. All I have done is to express the hope that the growers of wheat will be able to look after themselves, and, if possible, relieve the Commonwealth Government, so far as they are concerned, from this never-ending trouble of being a party to the control of these various undertakings.

Mr. STEWART.—The Wheat Pools have never cost the Commonwealth Government one cent.

Mr. RYAN.—I cite that reply by the Acting Prime Minister in order to show the impatient attitude of the Government towards the primary producers, the large majority of whom are in favour of a continuation of the Wheat Pool. The right honorable gentleman referred to "this never-ending trouble of being a party to the control of these various undertakings."

Sir JOSEPH COOK.—That is a good placard for Maranoa.

Mr. RYAN.—The right honorable gentleman may try to pass off his responsibility in that way, but I do not think his remark will go down with a large majority of the primary producers.

Mr. WATT.—The Government's responsibility in respect of this very matter was very clearly defined by the Prime Minister at the last election.

Mr. RYAN.—It was; and the Prime Minister never said anything about "this never-ending trouble of being a party to the control of these various undertakings."

Mr. WATT.—He expressed it in more euphonious language, but made it very clear.

Sir JOSEPH COOK.—"This never-ending trouble" will make an admirable head line to-morrow.

Mr. RYAN.—I am endeavouring to get the Government to define their position upon this very important question, because I feel that if they continue the policy that is indicated in the reply of the Acting Prime Minister a great injustice will be done to the wheat-growers, who will be left at the mercy of speculators and middlemen.

Mr. RICHARD FOSTER.—Question!

Mr. RYAN.—I am now placing before the House my view and that of the party with which I am associated. In our opinion, unless the Commonwealth Government render assistance and promote the formation of a Wheat Pool, the wheat-growers will suffer at the hands of speculators and middlemen. They always have done so in the past, and they have had experience during the last few years of the advantages which accrue to them through the formation of these Pools. To my mind, it is imperative that the representatives of the people in this Chamber should endeavour to have carried out a policy that will be for the benefit of the whole community, including the primary producers, and the only way in which that can be done is by bringing this matter forward as I am doing this afternoon. I move—

That the following words be added to the motion:—

"Provided that the Commonwealth Government shall take steps to insure the continuance of the Wheat Pool and immediately enter into negotiation with the respective State Governments, in order to give effect to this principle."

I make that motion in strict conformity with the policy of the party with which I am associated. Our platform and programme have been shaped so as to embrace the interests of both those who work on the land and those who work in the secondary industries. The interests of these two classes of workers—for, after all, they are all workers—dovetail into one another.

Mr. WATT.—Their interests very often clash; one wants a dear loaf and the other a cheap loaf.

Mr. RYAN.—The worker on the land and the industrial worker have a community of interest, and for that reason

our programme provides for a policy that will enable the primary producer to market his products profitably, at the same time saving the consumer the undue profits that go to speculators and middlemen. There is no other party in this House which in its platform and programme has a policy which is so drafted as to comprise the interests of both these sections of the community.

Mr. WATT.—How does the honorable member reconcile the cheap loaf advocate with the dear loaf advocate?

Mr. RYAN.—I do not know how the honorable member will reconcile before the country the policy for which he stands, but a party that has no regard for those two interests can never aspire to govern a great country like Australia. Regard for those two interests is, I repeat, in strict conformity with the platform and programme of the Labour party, and in accordance with the speeches made by honorable members on this side during the last election campaign. As a result of that policy we have in this House quite a number of representatives of the primary producing constituencies, amongst them the honorable member for Angas (Mr. Gabb), the honorable member for Ballarat (Mr. McGrath), the honorable member for Hume (Mr. Parker Moloney), and the honorable member for Gwydir (Mr. Cunningham). Therefore, in moving and supporting this amendment we are only standing for the carrying out of the programme and policy which we placed before the country at the last election. This policy will protect the interests of the primary producer against exploitation; moreover, I am well satisfied that such a course is desired by the overwhelming majority of the wheat-growers.

Sir JOSEPH COOK.—Is there a conflict at Maranoa at present between the Country party candidate and the Labour candidate?

Mr. RYAN.—Do not endeavour to pass off an important subject in that light way. Why are the Government not nominating a candidate for Maranoa? It is because they are in secret league with honorable members in the Corner. There is an alliance between the so-called representatives of the primary producers and the representatives of the middlemen.

Sir JOSEPH COOK.—I think that whatever else is happening is nothing to the honorable member's present attempt at straddling.

Mr. RYAN.—I am having regard to a much wider constituency than Maranoa—the constituency of Australia and its wheat-growers. There are comparatively few growers of wheat in the district of Maranoa. The Acting Prime Minister (Sir Joseph Cook) cannot escape from his responsibility by alleging that there is not unanimity amongst the State Governments in regard to the continuance of the Wheat Pool. The large majority of the wheat-growers require it, and, as a matter of sound national policy, the Government should see that they receive the assistance they require in order to have their products profitably marketed. Unless the Government do that they will be departing from the policy which was laid down by the Prime Minister (Mr. Hughes) at Bendigo. In his policy speech, he said, amongst other things—

If the farmers so desire, the Government will discuss with their organizations the questions of guarantees and assistance beyond this year, for in wheat, and all forms of primary production, the Government's policy is to stimulate and stabilize these essential industries.

The year referred to is 1920-1921. The amendment will give the Government an opportunity of doing something to carry out the policy to stimulate and stabilize the wheat-growing industry.

Mr. WATT.—That was not all the Prime Minister said on that question.

Mr. RYAN.—No; and it is not the only pledge that he has broken. But that statement was very definite, and it sounded well when the right honorable gentleman was seeking votes. We are now giving the Government an opportunity to carry out their policy. Where do the middlemen stand in regard to the Pool? Is there one middleman in the country who desires a continuance of the Pool? Not one. They are all arrayed behind the Acting Prime Minister, and they would all say "hear, hear," to his statement that the Government desire to get rid of "this never-ending trouble of being a party to the control of these various undertakings." Honorable members will have an opportunity of saying whether they stand for what the middlemen want, or what will be for the benefit

of, not only the primary producers, but also the whole community. They can indicate their attitude by supporting the amendment I have moved. I submit the amendment at this stage because I think it deals with a matter of sufficient importance to justify a proviso to the passing of this motion for Supply at the present time. I think honorable members should insist, as it is within their power to insist, upon what is now proposed, and, therefore, I give them the opportunity by moving the amendment.

Mr. GREGORY (Dampier) [3.51].—We seem to be travelling very fast. I had hoped that the Treasurer (Sir Joseph Cook) would submit his statement to-day, and then afford us an opportunity to see the press reports and give some consideration to the subjects dealt with. We should then have been in a position to offer some criticism; and, perhaps, congratulate the right honorable gentleman on what he claims to have done for the country's good. Personally, I should have preferred the Deputy Leader of the Opposition (Mr. Ryan) to move the adjournment of the debate, so as to enable us to proceed with other business, and subsequently finish the matter of Supply.

Mr. RYAN.—Surely the honorable member can make up his mind at once?

Mr. GREGORY.—I have, and congratulate the honorable member on his new-found zeal on behalf of the farmer.

Mr. RYAN.—Is it bringing you "up to the collar" a bit?

Mr. GREGORY.—Not in the slightest.

Mr. RYAN.—I suppose that is impossible.

Mr. GREGORY.—I can state my position in a very few words. Apart altogether from any requests that are being made, I regard the question before us as one which affects, not only the Commonwealth, but the States, as sovereign States. When the Pool was formed, certain arrangements were made between the Prime Minister (Mr. Hughes) and the Ministers of Agriculture for the four wheat-producing States; and, as can be seen from the preamble of the Victorian Act, it was decided to form a Pool for the protection of the farmers during the war. Surely, if we are to have a Pool, it must be one in regard to which the State Parliaments, as well as the Commonwealth Parliament, shall have some say?

Mr. RYAN.—I have not suggested that they should not.

Mr. GREGORY.—The honorable member knows that the Premier of South Australia has clearly and distinctly stated that he will not be a party to a Pool for this year.

Mr. RYAN.—Should he be permitted to "hold up" the whole of the wheat-growers of Australia?

Mr. GREGORY.—Not at all; it is purely a matter for negotiation. We have had a Pool for many years. I do not say whether the Pool has or has not been a success, but we know that trade has been quite disorganized by the war, and we have been following a course over which the Governments, State and Commonwealth, have had absolute control. I am giving my own opinion when I submit that it would be very dangerous to immediately cease that control unless we are quite satisfied that we have returned to normal conditions. When a man is travelling along a road and suddenly finds himself on the edge of a precipice, he does not jump over, but endeavours to see if there is an easy road round; and I think it would be wise to continue the Pool for this year, so as to give the States ample time to put their houses in order. Then those who desire Pools may make arrangements accordingly.

Mr. RYAN.—Perhaps the honorable member will admit that the pronouncements of the Acting Prime Minister (Sir Joseph Cook) are in an exactly opposite direction.

Mr. GREGORY.—I know that the Government, or, at least, the Acting Prime Minister has been desirous for freedom of trade, though I am very doubtful about the methods they are adopting. I am speaking absolutely for myself, without any connexion with the Country party, in what I am now saying. Opinions differ in some of the States, and it is very difficult to judge what Pools it would be wise to adopt. Under the circumstances, I strongly urge the Acting Prime Minister to have a Conference with the various State Premiers with a view to the continuation of the Pool for this year, and to make it clear that any action proposed is for this year, and this year only.

Mr. RYAN.—You desire to do exactly what my amendment says.

Mr. GREGORY.—I do not know what the Acting Prime Minister thinks of that amendment.

Mr. RYAN.—What do you think of it?

Mr. GREGORY.—I think it is very close to a motion of want of confidence.

Mr. RYAN.—Even that I would not shirk, in the interests of the primary producers of this country.

Mr. GREGORY.—I have already discussed this matter at a Conference with the Acting Prime Minister, and I strongly urge that a step in that direction should be made with a view to uniformity for this year.

Mr. RICHARD FOSTER.—Does the honorable member not think that that is a matter for the Premiers of the States?

Mr. GREGORY.—But the matter has been brought up here, and, in my opinion, the Acting Prime Minister would be quite justified in asking for a Conference.

Mr. STEWART.—The Commonwealth Government should use its influence.

Mr. RYAN.—That is what I suggest in my amendment.

Mr. GREGORY.—The Premier of Victoria has stated distinctly that he is quite satisfied with the assurance that has been given from private buyers that they will be quite competent to finance the wheat crops in Australia; but in view of the enormous amount involved, and with a good harvest and reasonable prices in prospect, I do not see how it is possible to accept such an assurance. There must be great danger to be faced; there is the possibility of a falling market, and buyers will naturally protect themselves by offering very low prices in the early stages of the year, at any rate. The position, so far as the wheat-grower is concerned, is critical, and therefore, I think such a Conference as I suggest is highly desirable and necessary, with a view to uniform legislation and administration for this year. Of course, if such a Conference fail to agree, I hope that the promise made by the Prime Minister (Mr. Hughes) will be carried into effect. There is a strong desire in many places for a Co-operative Pool; and the Prime Minister on one occasion—I have not the date—said:—

The Government will welcome any effort on the part of the farmers to organize on co-operative lines, and will be prepared to assist them to the fullest extent of its powers in

placing their products on the markets of the world without the intervention of the middleman, thus insuring to the producer the fullest possible return for his labours. We shall be prepared, if the organization of the fruit-growers and wheat-farmers is sufficiently comprehensive to enable it to be done, to assist them through such duly elected representative bodies as may be appointed to place their products on the foreign markets in such a manner as appears to them most desirable, or make such arrangements as will enable the Government to conduct any negotiations abroad on their behalf for the sale of their products, if so requested. Provided the public interests are adequately protected, the Government will be prepared to render financial assistance to such a co-operative organization as will enable producers to reap the fullest advantage from the world's markets.

I should be glad to see in Australia a movement similar to that which has proved so wonderfully successful in Canada. There the farmers have co-operated, and have worked their scheme on much sounder financial lines than have been followed in many cases in Victoria. A large number of co-operative associations have been started in this State, and have done wonderful work for the producers, but those associations, although they received financial assistance from the Government, have failed to create any reserve fund to tide them over bad times. In my opinion, when any assistance of this kind is given, the Government concerned should stipulate that the whole of the profits shall not be returned to the members, but that a proper reserve shall be created.

Sir JOSEPH COOK.—The Canadian scheme is not a Government scheme.

Mr. GREGORY.—Quite so; but the Victorian Government has given assistance to fruit-growing, cool storage, and other co-operative associations, and in every instance that has come under my notice all the profits have been returned to the members, with the result that there have been undue profits in good years and no reserve to tide over bad years. A request has come from Western Australia for financial assistance in forming a voluntary co-operative Pool. The members of that association ask whether, if they form a Pool, the Federal Government will render that financial assistance which the Prime Minister so distinctly promised, not only in the speech I have read, but in several interviews and replies to deputations, and I trust the Government will honour that business.

I should now like to say a few words in reference to the remarks of the Treasurer this afternoon. Time after time balance-sheets in regard to the position of the Commonwealth shipping venture have been demanded, and definite promises have been made by both the Prime Minister and the Treasurer that full and authentic balance-sheets would be submitted to Parliament each year. I submit that we are in exactly the same position as that of the shareholders of a company; indeed, there ought to be a law providing that reports must be presented to Parliament each year on every trading concern undertaken by the Government.

Mr. BLAKELEY.—I rise to a point of order. There is an amendment before the Chair, and I submit that until that amendment is disposed of it is not competent for the honorable member to deal with other matters; he must confine his remarks exclusively to the amendment.

Mr. GREGORY.—Before you give your ruling, sir, may I say that my desire was to save time by dealing with both the motion and the amendment in the one speech?

The TEMPORARY CHAIRMAN (Mr. Charlton).—While it would be well for honorable members to confine their remarks to the amendment, I would point out that under the Standing Orders they are entitled on a Supply motion to discuss any matter.

Mr. GREGORY.—We ought to pass a law making it compulsory that the Government shall place in the hands of honorable members, within three or four months after the close of the financial year, balance-sheets of all its trading enterprises. The Treasurer must admit that, again and again, we have been promised that such balance-sheets would be provided. During the last four years I have made insistent requests that balance-sheets, relating not only to the Commonwealth Line of Steamers, but all Commonwealth trading concerns, should be presented as soon as possible after the close of the financial year; and I hope that the Treasurer will issue instructions that this shall be done. If a loss is shown on the operations of any of our trading enterprises, it is just as well that we should lose no time in dealing with it, and endeavouring to make the position better.

Mr. FENTON.—The Budget-papers presented to the House every year give details of all the Government trading concerns.

Mr. GREGORY.—They are merely statements. What I want is a balance-sheet in every case.

It is impossible, at such short notice, to deal generally with the interim financial statement made this afternoon by the Treasurer. When the right honorable gentleman stated that he was going to ask for further Supply, I did not intend to indulge in anything like a full criticism of our economic position. I hold, however, that it is impossible for the Treasurer to anticipate receiving during the present financial year anything like the Customs revenue obtained by him last year, when he collected something like £31,800,000, which was almost equal to £6 per head of the population. Such a revenue was abnormal, and although the Government have made preparations to obtain a greater revenue by increasing the Tariff, I am satisfied that our imports this year will be considerably reduced. The purchasing power of the people of Australia will not enable them to import goods to such an extent as to yield the revenue that we obtained from this source last year. There is going to be a very big reduction in Customs revenue. I do not want to be pessimistic, but I am afraid that bad times are ahead of us, and am convinced that drastic changes will have to be made in order that we may get back to the right track. Regarding the income-tax revenue, the Treasurer was hardly justified in his optimism. Even if we obtained in respect of wheat the same export values that we have obtained in respect of wool, it must not be forgotten that the revenue from our wool sales is divided among fewer people than is the revenue derived from our wheat. So far as wool is concerned, the individual profits are much larger. If we had, say, 10,000 wheat-growers showing a profit of £1,000 each on their year's operations, the assessment rate in respect of them would be much lower than in the case of a wool-grower who had made a profit of, say, £10,000 for the year.

Sir JOSEPH COOK.—Still, there are more wool-growers than wheat-growers.

Mr. GREGORY.—The Treasurer obtained very big income-tax returns from wool-growers because of the higher assessment rates in respect of their increased individual earnings. I am sure that he will not get from the wheat-growers anything like the revenue by way of income tax that he would receive from the wool-growers if they had a successful year.

Mr. RICHARD FOSTER.—He will not receive very much this year by way of income tax from the wool-growers.

Mr. GREGORY.—He will get practically nothing from them. I would urge the Government to look very closely into their income tax methods. I am not satisfied with the revenue that has been obtained from the war-time profits tax. It is impossible, of course, to discuss that question fully without having examined the balance-sheets of many large corporations trading in Australia, but—

Sir JOSEPH COOK.—The war-time profits tax has run out. The Act is no longer in operation.

Mr. GREGORY.—That is so; but I have been wondering whether any of the large corporations doing business here, either directly or through subsidiary organizations, have been allowed so to dispose of their profits as to evade payments of taxation.

Sir JOSEPH COOK.—This is the first time I have heard complaint that our income tax gatherers are too lenient.

Mr. GREGORY.—I am not suggesting that they are. I know they have been anything but lenient in their treatment of men in the outback country. In many instances graziers who, up to the beginning of the war, showed no profit whatever, and thereafter could only show book profits in respect of their operations outback, were called upon in respect of those book profits to pay large sums by way of the war-time profits taxation, and had to borrow money to do so. On the other hand, having regard to the enormous profits made by the Sulphide Corporation and other big companies in this country, the smallness of the amount received from the war-time profits tax is astounding. I do not know why the Government have not shown a keener desire to bring within the scope of the War-time Profits Tax Act many of the big organizations either trading directly in Australia or carrying on operations by means of subsidiary companies. Many large companies trading in Australia are

off-shoots of parent corporations whose head-quarters are in other countries. These subsidiary companies import or export enormous quantities of goods, amounting in value sometimes to millions of pounds per annum, and still they show no profits. Take, for instance, a company such as Nestle's, which is trading in Australia as a subsidiary concern, the head-quarters of the parent company being in the Old Country. It exports the greater portion of its output, and on those goods ought to realize a profit. Under the original Act the Taxation Commissioner was empowered to charge at least 5 per cent. on the output of such companies if he was not satisfied with their returns. That provision, unfortunately, was repealed, but the Commissioner is still vested with powers which should enable him to deal effectively with the large corporations I have in mind, and which I fear have too often escaped taxation, while the unfortunate man in the back country has had to borrow money to pay the taxes levied on him.

I understand that the Assistant Minister for Repatriation (Mr. Rodgers) proposes to make a statement in regard to the War Service Homes administration. Is that statement to be made on this Supply motion, or is it to be made separately?

Sir JOSEPH COOK.—On the Supply motion.

Mr. RYAN.—The Government undertook that it should be made separately, and I call on them to stand by that arrangement. Why should it be mixed up with a discussion on wheat and other things?

Sir JOSEPH COOK.—I said it would be made on Supply.

Mr. BLAKELEY.—The Acting Prime Minister gave his direct word that the discussion on the War Service Homes administration would be taken separately.

Sir JOSEPH COOK.—Honorable members opposite can have anything they want! It is only for them to give notice that they want to run the Government.

Mr. GREGORY.—I should prefer the statement to be made on Supply; but I do not want the Government to depart from any promise they may have made to the Opposition. I have no desire to discuss the question at the present time. I propose to wait until the Public Accounts Committee, which is taking evidence on the subject, has presented its

report before I commit myself as to any action I may desire to take. I want to have the fullest information that the Public Accounts Committee can give the House on the question. I do not wish to reflect on the Assistant Minister (Mr. Rodgers) or on the administration generally; but if statements reported in the press to have been made before the Public Accounts Committee are correct, then no action which the Minister could take in regard to certain matters would be too strong, and this House, later, must be satisfied. If certain statements made in evidence before the Committee in Tasmania and New South Wales the other day are correct, then the Crown Law and Criminal Investigation Departments of those States should have been instructed at once to try to get evidence to bring to trial men who had been guilty of any conspiracy or fraud in connexion with the expenditure of Commonwealth moneys for repatriation purposes. No effort should be spared to bring to trial any person who has endeavoured to perpetrate a fraud, especially when we are taxing the people to an enormous extent in order that we may carry out our obligations to our returned men. Until we have the report of the Committee, it is not my intention to commit myself to any course of action with regard to the matter.

Mr. PARKER MOLONEY (Hume) [4.19].—I am sorry that the honorable member for Dampier (Mr. Gregory) was not more emphatic in dealing with the amendment which has been moved by the Deputy Leader of the Labour party (Mr. Ryan), for the purpose of securing a continuance of the Wheat Pool, but if he votes in accordance with his statements I am hopeful that he will support it. It can be said, without fear of contradiction, that an overwhelming majority of the wheat-growers of Australia are in favour of the continuance of the pooling system. If the Government desire to do that which they think is in the best interests of the primary producers of the Commonwealth, they can have no hesitation in accepting this amendment, since the primary producers desire that the Wheat Pool system shall be continued. If evidence is wanted in substantiation of that statement, we have it. The result of the plebiscite taken among the wheat-growers of Victoria showed

that there were 13,142 who voted in favour of some form of the pooling system—86 per cent. of the total of those who voted—as against 2,131, or less than 14 per cent., who voted in opposition to the pooling system.

Mr. STEWART.—And in the face of a press campaign against the pooling principle.

Mr. PARKER MOLONEY.—In the teeth of a campaign conducted by Melbourne newspapers from day to day with the greatest assiduity. I prophesy that when the plebiscite in New South Wales shall have been completed, an equally large majority—indeed, the overwhelming proportion of wheat-growers in that State—will be found to hold views similar to those of the Victorian farmers. Seeing, therefore, that it is the almost unanimous desire of wheat producers in the two great wheat-growing States to have a continuation of the pooling system, it must be apparent to all honorable members that the amendment under discussion has been moved at an opportune time.

Sir JOSEPH COOK.—Hear, hear! Most opportune for Maranoa.

Mr. PARKER MOLONEY.—I do not see the connexion.

Sir JOSEPH COOK.—There is just about the same connexion as in respect of the manifesto issued by the honorable member for West Sydney (Mr. Ryan).

Mr. PARKER MOLONEY.—And a very good one it was. However, the Acting Prime Minister will not have the pleasure of going into the Maranoa district to make a speech, since his party has no candidate.

Mr. BLAKELEY.—For the reason that they were afraid to put one up.

Mr. PARKER MOLONEY.—True; and the withdrawal of the Nationalist candidate in favour of the so-called Country party candidate is further proof that these two parties are one and the same. But I am not now dealing with the Maranoa by-election. My subject covers another very important matter of definite and urgent public importance—a matter which concerns not only the wheat-growers, but the consuming masses of the people. I hold that the continuance of the pooling system will afford greater protection, not only to the growers but to the consumers, than if Australia should

revert to what has been described as normal trading conditions. It is evident that there is an organized attempt in this country, on the part of speculators and middlemen, to kill the pooling system. If the system is destroyed, the same will happen in respect of wheat as has been experienced in the marketing of other primary products. So long as the produce was in the hands of the producers themselves, prices were reasonable, but once the manipulators got hold of the goods, there were overwhelming increases.

Mr. RODGERS.—On the last occasion when the honorable member spoke upon the pooling system he complained of what the middlemen had been making.

Mr. PARKER MOLONEY.—And I was quite consistent in so doing. While I may believe in a principle, I am entirely within my rights in condemning bad management. In the course of my speech, made a fortnight ago, I asked that a Commission should be appointed to inquire into the management and control of the Wheat Pools. It was the matter of bad management upon which I was concentrating, and I emphasized that I was not attacking the principle, seeing, in fact, that I believed in it. I am still of opinion that there has been gross mismanagement, for which the Federal Government has been largely responsible. I believe that a pooling system, properly controlled and conducted, should have the effect of eliminating middlemen; but, since the Pools have been in the hands of Governments which depend upon middlemen for support, the pooling principle has been spoiled by the unhindered operations of these gentry.

Mr. RODGERS.—What does the honorable member think of the pooling system as conducted by the New South Wales Government, in respect of which the middleman was cut out?

Mr. PARKER MOLONEY.—It was the conduct of the Pool by the New South Wales Government which convinced me more than anything else that the system can be worked with great advantage to the growers. If the Minister (Mr. Rodgers) will read the last report of the Wheat Board in New South Wales, he will learn what has been done under a Pool which has been so much better conducted than was the experience under

previous Governments. Everybody interested knows that, when the present New South Wales Government took over the control of the Pool, the institution had suffered from several years of bad management. The outcome was a crop of difficulties almost unprecedented. But what did the New South Wales Government do? They undertook the whole of the handling at Darling Island; they did the whole of the stevedoring. They cut out the agents at the island. The agents had contracted to do all the handling at $\frac{1}{2}$ d. per bushel. They eventually came down to $\frac{1}{4}$ d.; but the Wheat Board said that it would have none of them, and it undertook the work itself at the rate of one-fifth of 1d. per bushel, as a result of which the handling of the wheat at Darling Island was so conducted as to save the wheat-growers £125,000. Those facts indicate what can be done under a proper pooling system. When speaking the other day on my motion for the appointment of a Royal Commission to inquire into the mismanagement of the Wheat Pools, I showed that enormous commissions had been made which should never have been permitted under a proper system of control. The blame attaches to the Federal Government for their bad management.

Reference has been made by the honorable member for Dampier (Mr. Gregory) to a system in existence in Canada and the United States of America. In these countries, there was a form of Wheat Pool, which was abolished last year. A change was made from the pooling system to the condition of open market.

Mr. STEWART.—Which was a condition of chaos.

Mr. PARKER MOLONEY.—It was. I shall quote opinions of highly qualified men. One of these was directly interested, not only as a grower, but as a member of a Board which was originally in control. He was president of one of the great growers' organizations in Canada, and he said—

The refusal of the Government to continue the Wheat Board for another year left the farmers at the mercy of chaotic world conditions, and the losses sustained have been colossal, thanks to the utter disregard of the politicians at Ottawa.

Those colossal losses were sustained because of reversion to open market methods in Canada. I shall now quote an expression of opinion from a member of

another Wheat Board, which had been in charge of the pooling arrangements in the United States of America. He said—

We have been led to believe that conditions were normal, and further control unnecessary. Capital in plenty was to be available for all our needs. Buyers would be waiting to absorb all our grain as fast as we could market it. What was the result? Millions of dollars of losses. The buyers had us at their mercy, and operated, hand to mouth, from day to day. They told us plainly they could not risk buying on any other basis. For the first time in the history of the States the banks in the wheat areas suspended payment, as the crops could not be moved off. We are not to be caught again, and are going back to the Pool under the United States Grain Growers Incorporated.

That was the outcome of experience, both in Canada and the United States of America, of reversion to the open market, to which many people in this country—principally speculators—desire to commit our wheat-growers once more. Action, if taken on proper lines, as it should be in this House, would be of great service to the bulk of the Australian producers, who in overwhelming numbers have expressed themselves in favour of the continuation of the Pool. We will expect to have the co-operation of those who are sitting in the Corner—the Country party—in carrying this amendment. The Victorian Government has deliberately turned its back on the wheat-growers of the State, and I am convinced that powerful influences have been at work to cause it to take that attitude; but in the Assembly an endeavour is being made to compel it to stand up to its obligations, and the State Labour party is behind that action.

Mr. RICHARD FOSTER. — In a fashion which will not appeal to the Victorian wheat-growers.

Mr. PARKER MOLONEY. — Nothing would appeal to the honorable member that was likely to defeat the party with which he is associated. He cannot contradict my statement that the wheat-growers have, by an overwhelming majority, expressed their desire for the continuation of the pooling system.

Mr. RICHARD FOSTER. — You can make that statement, but you cannot prove it.

Mr. PARKER MOLONEY. — It was proved by the vote taken in Victoria the other day, when 86 per cent. of the wheat-growers voted for the continuation of the Pool, and only 14 per cent. against it. In

substantiation of my statement that influence by middlemen and speculators has been brought to bear on the Victorian Government, just as it has on this Government, let me read the following speech by Mr. Clarke, the Victorian Minister for Works, who said that he spoke as a director of the National Bank and of Goldsbrough, Mort, and Company, and who could not therefore have spoken as a representative of the wheat-growers. He said—

I do not understand why some of the farmers appear to have been persuaded that they will be better off under a Pool than with Australian and European firms buying.

He could not understand it, because of his connexion with a firm of agents which is associated with other agents who are watching for the pooling systems to end, so that they may swoop down on the wheat-growers like so many vultures.

Mr. RODGERS. — The firm you have mentioned does not buy wheat.

Mr. PARKER MOLONEY. — It is closely connected with others who do, and speaks from the middleman's point of view. To continue my quotation, Mr. Clarke's speech runs—

There is not the slightest doubt that the banks and the large wool and grain companies will, as in the past, make liberal cash advances against wheat temporarily stored. And as every wheat-grower has had experience of the long delays and the small progress payments under the Pool system, I do not think that pooling has any attractions financially over open market arrangements. I think that many farmers who voted for a Pool never imagined that they would have to accept a Labour Ministry with it during this time of financial difficulty and with the Queensland example fresh in their minds.

He had to drag in party politics by misrepresenting Labour administration, which is the usual practice pursued by those who want to cloud the real issue. I hope that there will not be the same sidetracking attempted here. The proposal should be dealt with on its merits. Members of the Country party have spoken in favour of this amendment, and, if they vote with us as they have spoken, we can compel the Government to take action. If the members of that party vote against this amendment it will confirm the widespread feeling that they are, in reality, only a wing of the Nationalist party. The great bulk of the wheat-growers of Australia will judge

members by the way they vote on the amendment. This is our opportunity to do our share towards saving from the market manipulators and the speculators that important section which is engaged in one of our chief primary industries.

Mr. BLAKELEY (Darling) [4.44].—I am sorry that the Acting Prime Minister has not made a statement about this matter. Electioneering promises were made by almost every member of the Ministry to the effect that if the wheat-growers or other primary producers desired a Pool, the Government would do its utmost, financially and otherwise, to bring about the necessary organization for the handling of their products.

Mr. RICHARD FOSTER.—Who said that?

Mr. BLAKELEY.—The honorable member's Leader for one, and other Ministers said it. Probably the honorable member said it himself, when speaking to the farmers of his constituency.

Mr. RICHARD FOSTER.—I do not think so.

Mr. BLAKELEY.—I do not know what the honorable member said, but I am led to understand that he made it clear to the farmers in his electorate that he would support another Wheat Pool if they desired it.

Mr. RICHARD FOSTER.—When I make a statement my electors accept it without doubt.

Mr. BLAKELEY.—The honorable member said that the Prime Minister did not make a promise to support the Pool.

Mr. RICHARD FOSTER.—I say that he did not make the statement that you have attributed to him.

Mr. BLAKELEY.—This is the policy speech of the Leader of the Liberal party, as reported in the *Age* of 30th October, 1919:—

The Government will, if so desired, give statutory authority to Boards composed of representatives chosen by the various primary industries, e.g., wool, wheat, meat, &c.—and will, where the organization substantially represents the industry, lend such financial aid as may be necessary.

Mr. RICHARD FOSTER.—That is not what you said.

Mr. BLAKELEY.—I said that the Prime Minister has promised financial aid to the farmers if they desired it.

Mr. RICHARD FOSTER.—You said that he would do his utmost to bring about the necessary organization.

Mr. BLAKELEY.—This is what he said—

The Government will, if desired, enter into negotiations with Britain and other countries for the sale of our staple products. It will protect the producer against unfair freights, and guard him against the manipulation of speculators in the local and overseas markets.

That is broad, wide, and big enough to cover everything. Not only has the Government which the honorable member supports pledged itself to create the machinery and promote the finance necessary to deal with wheat in Australia, but it has promised to protect overseas the interests of our primary producers—

If the farmers so desire, the Government will discuss with their organizations the question of guarantees and assistance beyond 1920-21; for in wheat and all forms of primary production the Government's policy is to stimulate and stabilize these essential industries.

Mr. RODGERS.—The statements the honorable member has read are in respect of a promise which has been fulfilled.

Mr. BLAKELEY.—Ministers made certain promises, and the influences which have been applied to the Government of Victoria are being applied to this Government. The same insidious pressure is being brought to bear on both to prevent government invasion of a domain which prior to the war belonged to private enterprise. There is an extensive organization whose ramifications extend throughout the civilized world, controlled by firms like Dalgety, Dreyfus, John Darling, and others operating in wheat. Huge sums of money have been made by these firms. Huge sums of money are at stake. Immense fortunes have been made out of the handling of wheat. John Darling died worth millions of pounds, which had been made by buying and selling the product of the farmers, and millions of pounds will continue to be made from the farmers if the pooling system is not continued. The farmers in Victoria have in unambiguous language told the Federal and State Governments that they desire a continuation of the Wheat Pool. The State Government have said in just as unambiguous language that they are not agreeable to the formation of a Pool, and, as a result, a political crisis has occurred. Either the Government will back down and give the farmers a Pool, or they will be put out of office. We hope that exactly the same thing will occur in the

Federal arena, and that if the Government are not prepared to support the continuance of a Pool honorable members will vote to remove them from office. In Victoria between 60 and 70 per cent. of the farmers have voted in favour of the pooling system. A plebiscite is now being taken of the wheat-growers in New South Wales, and I have not the slightest doubt that as big a percentage, or greater, will vote in favour of a Pool there. In Queensland, so far as one can learn, the farmers generally desire a Pool. In South Australia, notwithstanding the pressure that has been brought to bear, the pooling system, if submitted to a vote, would be indorsed by a substantial majority.

Mr. RICHARD FOSTER.—The honorable member appears to know South Australia better than I do.

Mr. BLAKELEY.—The honorable member is not likely to do anything favorable to a policy in which he does not personally believe. He has always been opposed to the Pools. He is against them because they interfere with private enterprise and the open competition that is so ardently desired by him and the Government. He favours open competition, which leaves the farmers at the mercy of private enterprise in the handling of their products. Propaganda is now in progress which shows that large sums of money are being spent in the interests of the middlemen. Advertisements are being published in the newspapers, and agents are travelling the country endeavouring to get resolutions adverse to the Pool carried at meetings of farmers. This money is not being spent by the farmers.

Mr. RICHARD FOSTER.—Where is that taking place?

Mr. BLAKELEY.—In New South Wales; and it has been taking place in Victoria. Agents have been travelling through these States endeavouring to influence the opinion of farmers, and advertisements have been inserted in the press with the same object.

Mr. PARKER MOLONEY.—There is a "Farmers Committee" in Victoria which is composed of middlemen.

Mr. BLAKELEY.—It is called a Farmers' Committee, but it represents Dalgety & Co., John Darling, Louis Dreyfus, and other poor struggling selectors

whose farms are, presumably, in the distant Mallee. Any thinking member representing a country constituency, who does not know of this campaign, cannot have been in his electorate during the last six months. I recently travelled through my electorate, and I found traces of this propaganda everywhere; but, notwithstanding the money that is being spent by the wheat manipulators, the farmers have sufficient sense to know that the money which is being paid for the publicity campaign does not come from farmers, but from the manipulators. If it is possible for John Darling and Co., Dreyfus, and Company, Dalgety and Company, and other middlemen to make huge sums of money by handling Australian wheat, it is just as competent for the farmers to keep that money in their own pockets by themselves handling their own product. They have done that in New South Wales with a minimum of loss. Up to May of this year they have handled something like £13,000,000 of wheat more economically and efficiently than it was handled under the previous pooling system or by private enterprise. The Commonwealth Government have an opportunity of carrying out their pledges by introducing a system of co-operation which will benefit the farmers, and establishing the pooling principle, not only for the present season, but also for future seasons, thus allowing the producers to conduct their own business and preventing manipulators and speculators handling their business for them. The open market means that the speculators—Dreyfus and Company, Dalgety and Company, Darling and Company, and others—will form a Pool of their own, and they will fix the price at which wheat shall be bought from the farmers. There will be no such thing as open competition. There was no competition when they were handling the wheat of the farmers previously, and there is not likely to be any if they are given the opportunity again. The honorable member for Wakefield (Mr. Richard Foster) and others who are opposed to the pooling system know perfectly well that nowadays big business firms do not compete with each other; they combine to fix the price at which the commodity they are handling shall be purchased, and if the pooling system is not continued that price will not be nearly as good as that which was received from the Pools.

Mr. STEWART (Wimmera) [4.58].—It is significant that the honorable member for West Sydney never loses an opportunity of precipitating what he fondly hopes may prove to be a crisis. It matters not to him whether the subject under discussion be wheat or finance.

Mr. RYAN.—I have no fear that there will be a crisis while there are such “jelly-wobblers” in the Corner, because they will always vote with the Government if they think it necessary.

Mr. STEWART.—If the honorable member really holds that view, I am surprised that he is so persistent and hopeful in his attempts to create a crisis.

Mr. RYAN.—I hope to do some good for the wheat-growers.

Sir JOSEPH COOK.—I shall show the Committee presently what good the honorable member is seeking.

Mr. STEWART.—The question of the continuance of the Wheat Pool is of serious moment to the growers. I know of no subject that has occupied so much of the time of members of the farmers' organizations, or created so much interest among producers, and I hope that the Acting Prime Minister will, on behalf of the Government, make a statement before the vote is taken indicating exactly where the Government stand and what they intend to do.

Mr. PARKER MOLONEY.—The amendment does not ask them to do too much.

Mr. STEWART.—I offer no comment upon that observation. As to the merits of the Pool in comparison with those of the open market, in spite of all that is said about the benefits of competition and the millions of pounds that self-styled philanthropists, known otherwise as wheat shippers and wheat handlers and commercial speculators, are alleged to be bringing to the country, the cold fact remains that the Australian wheat harvest in the aggregate is worth a certain sum of money, and the intrusion of middlemen into the handling of the harvest, whilst it may decrease the amount received by the producer for his grain, will certainly not add 1d. to the value of the crop. A Pool represents organization in the marketing of our product, and I have always been an advocate of organization among producers.

Mr. RYAN.—Then the honorable member will support the amendment.

Mr. STEWART.—To be quite frank with the honorable member, my attitude towards the amendment will depend entirely upon the statement to be made by the Acting Prime Minister. The State Governments are not unanimous in regard to the continuance of the Pool. But in the main the wheat-growers in every State are in favour of that system. I cannot speak definitely of South Australia, but I believe that a majority of the growers there are of the same opinion, and that what is taken to be opposition on their part is really the noise made by a small minority beating a big drum. The continuance of the Pool is vital to the growers and to the Commonwealth itself. The Tariff recently passed by this House taxes every tool of trade that the wheat-grower uses, and even the materials with which he fights disease and pests, including bluestone, sheep dip, rabbit traps, wire netting, and fencing wire. Surely it is not the policy of the Government to tax the primary producers by means of the Tariff, and at the same time place them at the mercy of the middlemen in respect of everything they have to sell! If that is the policy of the Government, I feel sure that the primary producers, who to-day misguidedly support Ministerial members, will radically change their political convictions. I ask the Acting Prime Minister to declare that even though the majority of the States do not declare definitely for a pooling system, the Commonwealth Government will give every assistance, financially and otherwise, to any individual State, or any number of States, that decide in favour of the continuance of the Pool. I hope that the Commonwealth Government will not wash their hands of this matter, and attempt to throw the onus entirely upon the State Governments. This is a matter which concerns the wheat-growers and primary producers generally. The price of primary products is on the down grade in every direction, with, perhaps, the sole exception of wheat; and if the price of wheat drops in the same ratio as that of meat and wool, what is going to become of the finances of the country?

Mr. McWILLIAMS.—It will drop if there is no Pool.

Mr. STEWART.—I do not think for a moment that there is any doubt about that. I firmly believe, and the great majority of wheat-growers believe, that

the end of the pooling system means chaos and a slump in wheat prices. For that and many other reasons the Commonwealth Government ought not to shirk its responsibility. The overwhelming number of wheat-growers desire a Pool, and it is time the Government showed their hand, and stated definitely and clearly where they stand in relation to the future of wheat pooling.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [5.6].—I rise to respond to that invitation—to that challenge. The honorable member for Wimmera (Mr. Stewart) knows where this Government stands in the matter, for he was with the deputation which elicited the statement from both the Prime Minister (Mr. Hughes), who is in London, and afterwards from myself. The statement was that we would encourage the idea of a Pool on the same conditions as last year. Now the ground is changed, but not by the Government; we stand where we stood. It is the others who have changed, and who are able to secure the support of the State Governments. The railways and the land are possessed and controlled by the State Governments, and it is the immediate concern of those Governments to see to the welfare of the farmer; we can do nothing in the matter. Last year the Government purchased the wheat, but we cannot do that now, because we have not the constitutional power. The State Governments own the railways, and, therefore, determine the conditions of transport of all the wheat to the markets of Australia and of the world. We cannot touch the railways; we have nothing to do with them. The States to-day, if they were to exercise their powers, could practically paralyze any arrangement we made directly with the growers. That is the reason it is necessary, if the scheme is to be a success, that the State Governments should be in it, and that the whole resources of the States should be brought to bear.

Mr. McWILLIAMS.—You mean that it should be an arrangement between the Federation and the States?

Sir JOSEPH COOK.—I mean it should be an arrangement similar to the last one; I cannot see how a Pool is to work successfully under any other circumstances. This Government is now doing its very utmost for people who have a habit of turning round when they have got what they desire, and "wiping" the Govern-

ment "in the eye." There is no fairness about such an attitude.

Mr. RYAN.—Who does that?

Sir JOSEPH COOK.—If there be any Government in Australia that has done its duty by the farmer it is the present Government. I say, further, that if any Government has not kept its promise to the farmer it is the Government of New South Wales, with whom the honorable member (Mr. Ryan) is closely associated.

Mr. BLAKELEY.—Can you not also drag in Queensland?

Sir JOSEPH COOK.—Queensland is in precisely the same position.

Mr. RYAN.—Surely the right honorable gentleman is not blaming me for the actions of the Government of New South Wales?

Sir JOSEPH COOK.—This is a "side step" on the part of the honorable member, and if he can get simpletons enough in the House to help him to "roll us over," he is all right. My only object at the moment is to remind the House of what they may expect from the people whom the honorable member supports. I have before me one of the declarations made by my honorable friends opposite regarding Pools. I refer to the motion of censure submitted by the Leader of the party opposite (Mr. Tudor) on the ground that this Government had failed to make provision for the payment of 5s. per bushel cash at railway sidings for the season's wheat.

Mr. RYAN.—It brought the Government "up to the collar"!

Sir JOSEPH COOK.—May I suggest that the honorable member has much more influence with the New South Wales Government in these matters than I have.

Mr. RYAN.—I can assure you that that is not so.

Sir JOSEPH COOK.—The honorable member has more such influence than any member of the farmers' party. May I suggest that he make inquiries in New South Wales as to why the Government of that State have not given the farmers 2s. 6d. a bushel, as promised? That promise is now six months overdue, though the Commonwealth Government have met their obligations, and, in addition, have paid 1s. 3d. of the 2s. 6d. due by the New South Wales Government.

Mr. PARKER MOLONEY.—Because the source from which the Federal Government got the money was not open to the New South Wales Government. The

banks gave the money to the Commonwealth Government, but would not give it to the State Government.

Sir JOSEPH COOK.—Then the honorable member admits that, under our present system, a Nationalist Government had better be in power when assistance for the farmer is needed? The honorable member is telling the farmers of the Hume that if this Government is put out in favour of another, the latter will be able to give no assistance to the farmers.

Mr. PARKER MOLONEY.—I hope we shall be independent of the private banks.

Sir JOSEPH COOK.—I repeat that this Government have discharged every obligation we entered into. We have had statements made here as to what was promised at the last election, but I say that every promise then made has been carried out in a large and generous manner. Not only have we carried out our own obligations, but, as I say, we have met 50 per cent. of the obligations solemnly entered into by the Governments of New South Wales and Queensland. The Treasurer of Queensland went one better than New South Wales, and promised 3s.

Mr. RYAN.—Did the Treasurer of Queensland not carry out that promise?

Sir JOSEPH COOK.—No, sir.

Mr. RYAN.—Yes, he did.

Sir JOSEPH COOK.—Not one penny was paid.

Mr. RYAN.—Did the farmers not get 8s.?

Sir JOSEPH COOK.—They have been paid 6s. 3d. up to date, but that has been paid by the Commonwealth Government.

Mr. RYAN.—Is the balance not quite safe?

Sir JOSEPH COOK.—I hope so.

Mr. CUNNINGHAM.—Where did the Federal Government get the money from? They grabbed the proceeds of the sales of wheat.

Sir JOSEPH COOK.—The credit of the Government was good enough to get the money. We are told, on the other hand, that the credit of the Government of New South Wales was not good enough to get a "bean"; and, therefore, it follows that the farmer had better stick to the people with credit, than change over to others, who, according to what we are told, have no credit at all.

Mr. PARKER MOLONEY.—This is a poor attempt to "side-track" the whole thing!

Sir JOSEPH COOK.—The honorable member ought not to get angry. However, let me return to what I was saying about the motion of censure that was submitted in October last. This is a case of "Codlin's your friend, not Short"; and I have no doubt that what I am about to read will be very useful at Maranoa at the end of this month.

Mr. RYAN.—Do not be concerned about Maranoa!

Sir JOSEPH COOK.—I suggest that the honorable member when he sends the pamphlet containing his speech to Maranoa, should also send a few facts with it.

Mr. RYAN.—Send your speech with it?

Sir JOSEPH COOK.—And if the honorable member does not mind, I will go halves in the expense.

Mr. RYAN.—Then you are against our candidate?

Sir JOSEPH COOK.—Against your candidate? I should think so!

Mr. RYAN.—There you are—there is the coalition! Then, it is only sham fighting between Mr. Hunter and you in Maranoa?

Sir JOSEPH COOK.—We have all our preferences—we cannot help them. I wish the farmers of the country, to whom this appeal is being made perfervidly by the honorable member, amongst others, to know really what kind of Pool it is they are invited to enter. We were told in plain language that at a meeting of the Federal executive of the Labour party in October last a series of resolutions had been carried, including—

That the price of wheat for local consumption be based upon the cost of production, the cost of production to be ascertained upon inquiry, which shall provide—

That means that every farmer must keep a set of books, and that those books are to be investigated by the Labour Government. Will the honorable member for Wimmera (Mr. Stewart) tell us how his cost of production is to be ascertained by an outsider?

Mr. STEWART.—The average cost of production should be taken.

Sir JOSEPH COOK.—That is not proposed in what I am reading. How would the honorable member's cost of production be revealed to the Labour executive unless the latter investigated his accounts?

Mr. RYAN.—Will you read the part where it says that the farmer has to keep books?

Sir JOSEPH COOK.—I will read something further, and it is to this effect—

Mr. GABB.—I rise to a point of order. Is the Acting Prime Minister in order in quoting from *Hansard* of this session?

Sir JOSEPH COOK.—Wrong again! I am not quoting *Hansard* of this session, but from a debate on the 21st October, 1920.

Mr. RYAN.—That was in this session.

Sir JOSEPH COOK.—As a matter of fact, I am not quoting from *Hansard* at all, but from a statement issued by the Federal executive of the Labour party.

Mr. GABB.—I rise to order. My point is that this statement from the executive of the Labour party is taken from a speech made by the Leader of the Opposition (Mr. Tudor), as reported in *Hansard*.

Sir JOSEPH COOK.—Then I shall dispense with it. The Federal executive of the Labour party carried this resolution—

That the price of wheat for local consumption be based upon the cost of production—the cost of production to be ascertained upon inquiry—which shall provide for trade union wages and conditions of all labour, including the labour of the farmer's family employed in producing the crop, plus a reasonable profit.

That is to say, according to the dictum laid down by honorable members of the Labour party, in the Pool that they are inviting the Country party to enter with them, they are going to include in the cost of production on the farm trade union wages for every man, his wife, and everybody who does anything upon the farm.

Mr. RYAN.—Whose wife?

Sir JOSEPH COOK.—The farmer's wife. When this statement was read an interjection was made to the Leader of the Opposition (Mr. Tudor); and he replied—

If an industry cannot pay fair wages and support proper conditions it should not exist.

That is to say, if growing wheat would not pay trade union wages to the farmer, his wife, and his family it should not exist.

Mr. BLAKELEY.—Wrong again. No such statement was made.

Sir JOSEPH COOK.—“No such statement was made,” says my honorable friend, although I am quoting a statement made by the Leader of the Labour party (Mr. Tudor) in this House. This, therefore, is the kind of Pool that the Labour party want. They want a Pool which makes wheat-growing impossible to begin with, and they want a Pool which, according to the statement of the honorable member for Hume (Mr. Parker Moloney) has no credit. If that is the kind of Pool the farmer is invited to enter I can only say, “more power to him.” I should not take him to be such a simpleton. He had better think hard, particularly regarding the 6s. 3d. per bushel he has received, and where it has come from, and think hard also of the fulsome promises—not one of which has been fulfilled—made by honorable members opposite to the farmers, many of whom gave their votes to them on the occasion of the last election. If there be in the electorate of Maranoa any farmers, they, too, had better think hard on this very subject before committing themselves to a party with no credit and no money, and who will, if returned to power, propose conditions which would make the farmers' industry impossible.

Mr. PARKER MOLONEY.—Will the right honorable gentleman please come to the amendment?

Sir JOSEPH COOK.—That is the very heart and purpose of the amendment. It provides for the addition of the following words:—

Provided that the Commonwealth Government shall take steps to insure the continuance of the Wheat Pool, and immediately enter into negotiation with the respective State Governments in order to give effect to this principle. I would suggest a slight alteration of the amendment by the insertion of one word, so that it would read—

Provided that the “present” Commonwealth Government shall take steps to insure the continuance of the Wheat Pool, and immediately enter into negotiation with the respective State Governments in order to give effect to this principle.

Is that what the Deputy Leader of the Opposition suggests?

Mr. RYAN.—I do not care what Government takes the action, as long as it is taken.

Sir JOSEPH COOK.—The honorable member for Wimmera (Mr. Stewart) challenged me as to the attitude of the Government regarding this Pool.

Mr. STEWART.—I asked the right honorable gentleman to make a statement regarding it. If he chooses to describe my request as a challenge, well and good.

Sir JOSEPH COOK.—It certainly was a challenge, delivered in that tone of voice which the honorable member usually adopts when speaking of the Government. It suggests a "bail up" sort of attitude.

Mr. PARKER MOLONEY.—We shall attempt to "bail up" the right honorable member on this question.

Sir JOSEPH COOK.—If the honorable member feels disposed to bail me up at any moment, he is welcome to do so. I am trying to do my job—to do my duty by this country.

Mr. RYAN.—The right honorable gentleman is trying to hold his job.

Sir JOSEPH COOK.—I am trying to hold my job in order to prevent the honorable member from attempting to do the work attaching to it, and making a botch of it. I believe that if I were Leader of the Opposition I could do his job quite as well as he does. When I hear him going on as he sometimes does, it awakens in my heart echoes of the olden times, and I feel that I should like to show him how to do a little as Leader of the Opposition. I want only to say that I have just about as much as I can do at the moment, and a little more than any one man should be asked to do; but of that I do not complain.

Our attitude in regard to the Wheat Pool was made quite clear by the Prime Minister (Mr. Hughes), and also made clear by me to a deputation of wheat farmers which interviewed me in my room a little while ago. I told that deputation that we would prefer that the farmers should manage this business for themselves if they were able to do so; and I say again that, although these Pools appear to the outsider to be very simple, they involve infinite labour and anxiety on the part of the Government that has to finance and look after them. They also involve the answering of tricky questions such as some honorable members of the Opposition put in this House every day. That is the trouble and labour to which I was referring in the remarks that have been quoted this afternoon. Any Government would avoid that kind of thing if it were able to do so.

Mr. RYAN.—And the Government would slumber if it were allowed to do so.

Sir JOSEPH COOK.—The honorable gentleman, I should say, is a much better slumberer than I am. At any rate, if one may judge from his appearance, he "sleeps o' nights."

Mr. RYAN.—Because of my easy conscience.

Sir JOSEPH COOK.—A conscience trained, I suppose, according to the honorable member's own standards. But I had better get back to the question of the Wheat Pool. On the occasion of the deputation to which I have just referred, the honorable member for Echuca (Mr. Hill) handed me a list of the three questions on which it was proposed to take a referendum; and, having read the paper, I said, according to the official report, that I thought the questions focussed the issues pretty clearly. Continuing, I said—

I suggest to you very strongly the desirability of addressing yourselves to the question of financing yourselves. It is up to you to make an effort to do it, and come to the Government if you cannot. Aim, if possible, at doing it yourselves.

The report continues—

Mr. PROWSE.—Would you agree to an Act to make it compulsory?

Sir JOSEPH COOK.—There is the question of the States to consider. Even if we had the power, I question the advisability of taking arbitrary action in the teeth of the States. It would be very undesirable. You would get the State Governments up against you in this matter. I suggest you do nothing further than take your ballot and at the same time consider very seriously the question of financing your own Pool in your own way. If you cannot do it, then come back.

Mr. HILL.—In taking this ballot, a lot of propaganda work has to be carried out. It would help us if the Commonwealth Government will say that it can guarantee us on the Prime Minister's conditions.

Sir JOSEPH COOK.—The Prime Minister's conditions hold. I have already made it quite clear that whoever is a moneylender will have to exercise some control. The further you can keep the Government out, the better for the Pool, the public, and the Government. I would prefer to leave the matter of compulsion until later on. I do not want to give you any lever for getting unwilling people into the Pool. Get an expression of opinion from the growers and then come back.

Continuing, Sir Joseph Cook told Mr. Stewart that it was the policy of the Government to assist co-operative enterprises, but he thought that at present it was up to them, and not to the Government, to address themselves to their own *clientèle*, and establish some relations with the States.

Mr. HILL.—We propose to use the present machinery. If the growers' Pool were established, we would take over the State Commissions and the staff of the Central Wheat Board, also the present agents.

Sir JOSEPH COOK.—My attitude is—Go and look after your own business; if you cannot, come back and see us.

Mr. HILL.—We are satisfied with the replies you have given us, and we will now go straight to work. After the ballot has been taken, we will see you again.

That was my attitude then, and it is my attitude to-day. I have no more to say. I am awaiting the results of the efforts which this deputation, representing all the States, undertook to put forth. I have not yet been apprised of the results of those efforts, but my statement holds good, that when I am apprised of them I will consider the matter further with the farmers whose wheat is in question.

Mr. CUNNINGHAM (Gwydir) [5.34].—The words which have fallen from the lips of the Acting Prime Minister (Sir Joseph Cook) mean nothing, and those who are to-day engaged in farming will find poor comfort in his very unsatisfactory statement as to the future marketing of their wheat and the attitude of the Government. The honorable member for Hume (Mr. Parker Moloney) pointed out what befell Canada with a so-called open market. It is an open market only so far as buyers are concerned, leaving the farmer at the mercy of speculating middlemen, who are prepared to pay only as much as they think fit and to buy only in quantities which will lead the farmer to believe that his commodity is unmarketable, and therefore worthless.

The Acting Prime Minister (Sir Joseph Cook) has evinced much concern about the Maranoa by-election. I note, however, that his party is not sufficiently concerned to run a direct candidate. It should be quite sufficient for the electors of Maranoa to perceive the relationship between the Country party and the Government, when the latter refrains from nominating an avowed candidate. It is obvious that if the farmers' candidate is returned he will keep to the secret compact, namely, to support the Government, in return for the immunity granted in the present campaign.

Reverting to the wheat situation, I would remind the Acting Prime Minister

that practically the whole of the wheat-growing electorates of New South Wales are represented by honorable members on this side of the House. It is our duty to conserve the interests of New South Wales farmers as well as those of the other States. The whole trouble with respect to the departure from the pooling system may be said to have arisen because the Premier of South Australia did not wish to be bothered further with Wheat Pools, and the Government seized on this as an excuse for itself to also refuse to assist. However, I deny the right of the Premier of South Australia to injure the interests of growers in the two great wheat-producing States, and to place the farmers of New South Wales and Victoria once more at the mercy of the middlemen. Has the Acting Prime Minister forgotten that his leader, the Prime Minister (Mr. Hughes), pledged the Government in his Bendigo speech that, if it was represented that the great body of primary producers expressed themselves in favour of the pooling system, the whole of the resources of the Commonwealth would be placed at their disposal in continuing that system? No mention was made of the desertion and betrayal of the great bulk of the farmers of Australia merely because the Premier of South Australia might not want to continue Wheat Pools. It should not be overlooked, while remembering that point, that the Premier of Victoria is in trouble to-day because he is out of step with Victorian farmers. There is considerable likelihood, indeed, of his being turned out of office because his Government holds aloof from the formation of a Wheat Pool in this State, despite the fact that the great majority of Victorian farmers have emphatically demonstrated their preference for the pooling system. And I am equally sure that the great majority of South Australian farmers, if given an opportunity to express themselves by means of a vote, would also demonstrate their desire for the continuation of the pooling system. It is not right that the farmers of Victoria and New South Wales should be deserted by the Commonwealth Government simply because South Australia possesses for the time being a Tory Government which prefers to stand in with the middlemen. As for the remarks of the Acting Prime Minister to the effect that the Labour Government in

New South Wales has not honoured its pledge, is it not a fact that the Commonwealth authorities themselves have had to defer certain pledged payments? What has been the experience with regard to their promises to cash certain war gratuity bonds? The New South Wales Labour Government gave a guarantee over and above the Federal guarantee for the purpose of stimulating production, and the effects of that guarantee have been reflected in the greatly increased number of wheat-growers in that State. Whereas under the late Nationalist Administration the number of growers in New South Wales fell from about 20,000 to 16,000, there was an increase last year to 22,000, due solely to the practical encouragement given the New South Wales Labour Ministry. Listening to the arguments of the Acting Prime Minister, one would imagine that the Commonwealth Government had found the whole of the money for the pooling system hitherto out of its own financial resources. The fact is, however, that the Government used all the money which came in from actual wheat sales in order to make its payments. The Commonwealth Government had first call, and it utilized all the money in making payments out of the sales of wheat. At the same time, by its operations in the financial market, it created such stringency that it became impossible for New South Wales to make its payments within the period stipulated. I have toured many parts of New South Wales, and I have noted that the farmers, in every instance, when the reasonable explanation of the State Minister for Agriculture has been offered, have shown themselves thoroughly satisfied. As for the situation in this State, the fact cannot be gainsaid that the Nationalist Premier of Victoria is out of step with Victorian wheat-growers.

Mr. RYAN.—Indeed, he is distinctly in step with the middlemen.

Mr. CUNNINGHAM.—Of course!

Mr. RYAN.—And it will not be denied that the Acting Prime Minister (Sir Joseph Cook) is also in step with the middlemen.

Sir JOSEPH COOK.—Hear, hear! I am their bond slave.

Mr. CUNNINGHAM.—This is not a party matter. It is too big for that. It will be a calamity if the producers are thrown upon the mercy of men who say

to-day that they could finance the buying of all the wheat in Australia if only open market conditions were reverted to. If a State Government, with all its resources, cannot finance a Wheat Pool, no individual section of wheat buyers in any one State can hope to raise sufficient money to purchase the wheat produced in that State—that is unless they secure the produce at prices very much lower than the world's value. Money cannot be obtained to-day from financial institutions to stock holdings, despite that it is an obviously suicidal policy to refuse assistance in that direction. Side by side with this unhappy fact there is the unsympathetic attitude of the Federal Government, which refuses to use the resources of the country to fulfil the pledge of the Prime Minister. Would the farmers of Australia have voted for the Government candidates if they had known that the Government would not keep faith with the promises given at Bendigo? I remind the Acting Prime Minister that the Commonwealth Government did not, in New South Wales, carry out its pledge to pay cash. It paid only half in cash and half in paper, deferring payment in the same way that the State Labour Government has done. The State Government had to defer payments, but it has not the resources of the Commonwealth.

Sir JOSEPH COOK.—It has not the resources, and it has not the credit of the Commonwealth. A Labour Ministry has not the credit of the Commonwealth!

Mr. CUNNINGHAM.—Is it not a fact that the right honorable gentleman was unable to raise a loan on the London market? This National Government, notwithstanding all its resources, was refused money.

Sir JOSEPH COOK.—I have got all the money I have asked for on the London market.

Mr. CUNNINGHAM.—I remember the threats that were used by the right honorable gentleman to the financiers of Australia. He put a revolver to their heads, adopting a stand and deliver attitude which, had it been adopted by a Labour Government, would have been interpreted as a threat of confiscation. He said to them, "If you do not fork out, I shall make you." I speak of the State Governments generally when I say that, Labour or Nationalist, they have not the financial resources of the Commonwealth.

Western Australia has a deficit every year, and it will not be long before that State is in a very serious financial position. What we ask is that the resources of the Commonwealth shall be placed at the disposal of the wheat-growers of Australia, so that they may not be pillaged by speculating middlemen. Surely this is a reasonable request to make to a Government whose Ministers have said that they will do everything in their power to assist the primary producers. This is the time to act so that negotiations may be commenced for the continuation of the pooling system. In the past there have been complaints against the administration of Pools, though not against pooling as a principle; but in New South Wales this year, by appointing to the State Wheat Board representatives of the growers, the employees, and the Government, operations have been carried on without friction, and there has been a large saving in handling and an increase of expedition in loading. On two vessels alone which were able to get away ahead of their time the State Wheat Board made over £2,000. With similar administration in the future, there must be an enormous saving in the handling of wheat on the pooling system.

Sir JOSEPH COOK.—Are the central terminal silos in Sydney finished yet?

Mr. CUNNINGHAM.—No. The bulk of the wheat is handled at Darling Harbor. It is hoped that the silos may be in full working order next season, when there will be greater expedition in loading. We ask the right honorable gentleman to try to induce the Nationalist Government of South Australia and the Nationalist Government of Victoria, should it survive the present crisis, to support the pooling system. South Australia has only a small number of wheat-growers, and should not be allowed to oppose the desires of the wheat-growers of Victoria and New South Wales.

Sir JOSEPH COOK.—If Mr. Prendergast comes into power in Victoria you will have the three big States under the domination of your executive. What more do you want?

Mr. CUNNINGHAM.—You have said that you will not assist until the States are unanimous in regard to pooling, so that, according to the Acting Prime Minister, while South Australia stands out there cannot be a Pool.

Mr. RYAN.—The resources of the Commonwealth must be made available, and that can be done only with the consent of the Commonwealth Government.

Sir JOSEPH COOK.—I think you are right as to two of the States.

Mr. CUNNINGHAM.—In my opinion, the Premier of South Australia is out of sympathy with the wheat-growers in his State in this matter. If a vote were taken of all the wheat-growers in Australia, the wheatgrowers of South Australia would be in a hopeless minority, supposing they all voted against pooling, though, as a matter of fact, most of them are in favour of it. There is also a majority in favour of pooling in Victoria, and 95 per cent. of the growers of New South Wales favour it. I do not know why State Premiers who are out of step with the farmers should be allowed to place them at the mercy of speculators.

Sir JOSEPH COOK.—The Premier of South Australia has just swept the country.

Mr. PARKER MOLONEY.—He did not announce his opinions about the Wheat Pool until the elections were over.

Mr. RICHARD FOSTER.—Yes; he made a very bold statement on the subject.

Mr. CUNNINGHAM.—The continuation of the pooling system was not an issue of the election. There were issues drawn in which should not be introduced into politics. We ask the Acting Prime Minister to take a broad, national view of this matter. Although his electors are mostly public servants, and are not interested in primary production, we ask him to recognise that the wheat-growers of Australia strongly favour the continuation of the pooling system, on which he has been throwing cold water.

Sir JOSEPH COOK.—You have not said a word about the price of wheat, or about the trade union conditions under which it is to be produced. Are you afraid of doing so?

Mr. CUNNINGHAM.—The conditions under which wheat is grown have no bearing on the question: Shall there be a continuation of the pooling system? Is the Acting Prime Minister against the farmer and his family receiving a fair deal?

Sir JOSEPH COOK.—I am not. I am in favour of him getting the full produce of his labour.

Mr. CUNNINGHAM.—Then, on that matter we are in accord.

Sir JOSEPH COOK.—No. You say that the farmer shall get only the cost of his production, plus a reasonable profit, which you would fix for him.

Mr. CUNNINGHAM.—And you say that the speculating middleman shall be allowed to bleed him.

Sir JOSEPH COOK.—No. I am in favour of the farmer getting the world's parity. Are you?

Mr. FENTON.—The world's parity is not enough sometimes.

Mr. CUNNINGHAM.—The term is a nebulous one, and means nothing.

Mr. FENTON.—The giving of world parity would mean starvation to the farmer sometimes.

Mr. CUNNINGHAM.—That is my objection to it; and more often than not he would get less than the cost of production if he got the world's parity for his wheat.

Sir JOSEPH COOK.—In such a case, would you give him more?

Mr. CUNNINGHAM.—Yes. If it cost 6s. a bushel to produce wheat in Australia, the consumer here should pay the price of "cost of production," even if the world's parity were less.

Sir JOSEPH COOK.—That is to say, you would make the consumers in our cities pay 2s. a bushel more for the wheat they use than the farmers could get for it abroad. Good for you!

Mr. CUNNINGHAM.—The farmer should be paid a fair and reasonable price for his wheat, and should not be sweated to provide cheap goods for any one, any more than is any other section of the community. The more wheat we can export, after satisfying home requirements, the better. The growers have received more under the pooling system than under the open-market system; but the right honorable gentleman wishes to revert to the open-market system, because it enables his middlemen friends to make more money. He and his supporters are desirous of re-establishing the old system, so that their friends, the speculating middlemen, may reap a rich harvest at the expense of the wheat-grower, who must take what is offered to him. The pooling system makes the wheat-growers independent of the middlemen; and, therefore, I want the Government to assist in the formation of a Pool for the coming season.

Mr. RICHARD FOSTER (Wakefield) [6.4].—I have followed the debate with interest, and have been much impressed by one or two characteristic speeches. Much of the argument has reminded me of the invitation of the spider to the fly—"Will you walk into my parlour?" It is a remarkable coincidence that the amendment should have been moved while the question with which it deals is being debated in another place a few hundred yards away.

Mr. FENTON.—With a little more anxiety there.

Mr. RICHARD FOSTER.—Possibly. There seems to have been an attempt made here to "sool" them on. I repeat what I said a few weeks ago, that it is not the function of this National Parliament to undertake this work for the farmers.

Mr. PARKER MOLONEY.—The Commonwealth Government initiated the Pools.

Mr. RICHARD FOSTER.—The honorable member is wrong. The Wheat Pool was initiated by the South Australian House of Assembly. From the constitutional point of view, it is not the function of the Commonwealth Parliament to undertake this responsibility of the individual States, because this Parliament has not, under the Constitution, complete power over trade and commerce, whereas the State Parliaments have. This Parliament properly stepped into this business in the country's interest at a time of national crisis, but we could only co-operate with the State Governments, and it was necessary for every State Parliament to pass an Act to enable the Commonwealth to do this work. That national crisis has passed. A good many of the trading powers that were exercised by this Parliament during the crisis were exercised under a war-time authority, and when most of the war-time powers ceased to exist, or were repealed, a sufficient power was left and incorporated in the general law for the cleaning up of these trading concerns. But that power could operate only in regard to transport and markets; the real business of the Wheat Pools is the concern, not of the National Parliament, but of the State Parliaments. We have heard a good deal about the attitude of the Prime Minister (Mr. Hughes) as expressed in his policy speech

at Bendigo and subsequently. All that the Prime Minister said at Bendigo was that, if the necessity continued, and the Premiers of the wheat-growing States requested him to carry on the Pool, he would not shirk his responsibilities.

Mr. RYAN.—There are too many "ifs" in that statement.

Mr. RICHARD FOSTER.—And there is too much of politics in the honorable member's amendment; that is patent to everybody. It is not the duty of this Parliament to interfere with work that properly belongs to the State Parliaments.

Mr. PARKER MOLONEY.—But this Parliament has been doing that all along.

Mr. RICHARD FOSTER.—It should not do it any longer. The honorable member is urging that this Parliament should do a work that is unconstitutional and irregular. A good deal has been said about the farmers being overwhelmingly in favour of the continuance of the Pool.

Mr. JOWETT.—That is so.

Mr. RICHARD FOSTER.—I am not sure that it is, but assuming, for the sake of argument, that a considerable proportion of them would like the Pool to be continued, at all events for another year, and some of them for an indefinite period, would they like such a Pool as is being suggested in a building a few hundred yards distant from this Parliament House?

Mr. STEWART.—Better than none.

Mr. RICHARD FOSTER.—I am assuming, for the sake of argument, that a big proportion of the farmers do desire a Pool established, but I say that they do not want a Pool in which the consumers would be associated with the wheat-growers in the management.

Mr. STEWART.—Yes; we are prepared for that.

Mr. RICHARD FOSTER.—Who are "we"? From my long experience I can only say that a farmer who desires a Pool of that kind ought to go to a doctor and get his head examined. Such a Pool is just what the farmer dreads, and will continue to dread. I know that there are a few farmers whose minds have been nourished with the milk of the Labour party, and who would accept such a Pool, but all others would fight shy of it.

The honorable member for Darling (Mr. Blakeley) referred to my past attitude in regard to the Wheat Pool. My

attitude has been very well known by the farmers in South Australia and a good many in other States. I believed in it because it was indispensable at the time. I was supporting the Central Wheat Board and its administration when a number of honorable members who are in this chamber to-day were attacking it every day in the week and every hour in the day, and were making representations that were as far from the truth as darkness is from light.

Mr. RYAN.—To whom is the honorable member referring?

Mr. RICHARD FOSTER.—I am referring to the number of men who have reversed their attitude, and who to-day declare that a Pool is all-important. I was a defender of the Pool then, as I am still, so far as administration by the Central Board was concerned. The managers of the other Pools can defend themselves; I cannot, and I say that in respect of more States than one. I advise those who have not had an opportunity of satisfying their minds from every point of view to wait until some of the Pools are cleaned up, and the last dividend is made known. Perhaps there will then be not so much feeling in favour of pooling.

Mr. STEWART.—Has the honorable member any inside information?

Mr. RICHARD FOSTER.—None whatever, and if I had, I would not use it. Because I am a member of this House I have not, since the inception of the Pools, traded in wheat scrip, but I think I am as much interested in Wheat Pools as is any other honorable member in the House. The honorable member for Darling said that the wheat could be handled more efficiently by the farmers themselves than by the wheat merchants. That is news to me. I know that some of the costs incurred by one State Board in handling wheat for five years were exceedingly high, because the Australian Workers Union were controlling the business and holding up the ships. Nobody knows that better than the honorable member for Darling.

Mr. CUNNINGHAM.—The honorable member knows that that statement is wrong.

Mr. RICHARD FOSTER.—I know that it is true, and so does the honorable member for Gwydir.

Mr. CUNNINGHAM.—The report of the Wheat Board in New South Wales declares that the Australian Workers Union kept its contract honorably and carried it out to the letter.

Mr. RICHARD FOSTER.—Then I wonder what dishonorable conduct would be, because I consider that in South Australia, notwithstanding that the Australian Workers Union held up the business, the Pool was administered much cheaper than in New South Wales. The old wheat merchants have been referred to as "vultures." That sort of talk is popular with the "unthinking mob."

Mr. RYAN.—Whom does the honorable member call the "unthinking mob"?

Mr. PARKER MOLONEY.—That is a reflection on the wheat-growers.

Mr. RICHARD FOSTER.—Do not trouble about the wheat-growers. I know a little about them, and they can take care of themselves.

Mr. RYAN.—To whom did the honorable member refer as the "unthinking mob"?

Mr. RICHARD FOSTER.—I shall not give the honorable member superfluous information. He knows to whom I refer. If he desires me to tell him something he does not know, I shall do so. We have been told that when wheat followed the old channels of trade the merchants fleeced the growers. Because John Darling died worth £1,750,000, he is said to have fleeced the wheat-growers. Although a lot of his wealth was won from wheat dealing, he made the biggest fortune ever made out of wheat on the smallest margin of profit at which wheat was ever handled. His success was due to his enormous turnover, and to the fact that he was always leading the market.

Mr. GABE.—He "squeezed" a few of the settlers on the west coast.

Mr. RICHARD FOSTER.—And he kept many men on the west coast. I know a good deal more about that part of South Australia than does the honorable member. The late Mr. Darling made most of his wealth out of charters. It was the efficiency that characterized the dealings of the big wheat-buying firms that enabled them to serve the farmers well without fleecing them. When the middlemen handled the farmers' wheat, they employed one man, where, ever since, three have been employed.

Mr. CUNNINGHAM.—That is not the case in New South Wales.

Mr. RICHARD FOSTER.—What is the use of the honorable member talking about New South Wales, as if honorable members did not know what took place there?

Mr. CUNNINGHAM.—Ask the honorable member for Wimmera (Mr. Stewart) as to Victoria. The statement is true neither of Victoria nor New South Wales.

Mr. RICHARD FOSTER.—I say that if the wheat merchants received one-half the losses through wasteful and inefficient management of the various Pools in the States, they would all be millionaires, and they would not ask for any more profit.

Mr. CUNNINGHAM.—You are wrong.

Mr. RICHARD FOSTER.—I am not.

Mr. CUNNINGHAM.—You are making only a general statement; give us the facts, and tell us where they took place.

Mr. RICHARD FOSTER.—I am giving you the facts—the facts of experience. If the honorable member does not know those facts, I do, and so do the farmers. The history of the scrip shows the facts.

Mr. PARKER MOLONEY.—The honorable member is speaking of the management, but that does not affect the principle. Ask the honorable member for Echuca (Mr. Hill).

Mr. RICHARD FOSTER.—Does the honorable member for Echuca desire the Pool to be continued for two or three years, or in perpetuity, and be run by the farmers themselves?

Mr. HILL.—Yes.

Mr. RICHARD FOSTER.—Then I do not. If there is any business in the world that is difficult, intricate, and delicate to handle, it is the wheat business; and men who are not merely the experts of a lifetime, but who have had the blood of business in them, as inherited from generations past—

Mr. HILL.—And such men can be got.

Mr. RICHARD FOSTER.—God help those who have to grow wheat, and then be at the mercy of those who do not know the business of marketing it!

Mr. PARKER MOLONEY.—Does the honorable member say that the farmers are too incompetent to manage their own business?

Mr. RICHARD FOSTER.—The marketing of wheat for the world is not the farmers' business, but the business of experts.

Mr. RYAN.—You are saying that marketing is the business of the middleman.

Mr. RICHARD FOSTER.—No, of experts. Is not the honorable member himself a middleman, who takes as big a fee on his brief as he can get? In the interests of the farmers it is better that the handling of the wheat should be in the hands of experts who know the world's markets. I have made my attitude on this question known in this House, throughout South Australia, and in my own constituency, and my desire is to get back to the old trading channels as more profitable to the grower.

Mr. HILL.—The honorable member's idea is obsolete.

Mr. RICHARD FOSTER.—The honorable member shows that he is not fit to manage the wheat business. I wish to get back to the old channels; but I said I would not oppose the great body of the farmers, who should decide the matter for themselves.

Mr. HILL.—And so they have.

Mr. RICHARD FOSTER.—The honorable member is wrong again. Three questions have been put to the farmers to vote on, and when they have signified their desire for a Pool they wish to know what kind of people are to have the management of it. If the Victorian farmers accept the present proposals, they are bigger stupid than I take them for.

Mr. STEWART.—That is a great reflection on the farmers.

Mr. RICHARD FOSTER.—I will say that eight-tenths of them "know their way about" as well as any farmers in the world, and I do not think they will go into a Pool that means the socializing of industry through and through; if they do take the fatal step, they are not the farmers I have been accustomed to all my life. It would appear, however, that those who call themselves the farmers' representatives are going to lead the farmers into the spider's web, which, so far as labour conditions go, means the beginning of the socializing of all industries.

Mr. FRANCIS.—That is not what the honorable member said at Wallaroo.

Mr. RICHARD FOSTER.—But I will say the same at Wallaroo and other places. The Deputy Leader of the Opposition (Mr. Ryan) is, personally and privately, a decent sort of man, but in submitting this amendment I do not think he is quite "playing the game."

Sitting suspended from 6.30 to 8 p.m.

Mr. GABB (Angas) [8.0].—It is with a great deal of pleasure that I rise to support the amendment which has been moved by the Deputy Leader of the Opposition (Mr. Ryan). If I understand it aright, its object is to provide that the Government shall be granted supply only upon the condition that it makes a move to bring about a Wheat Pool for the present year. I support that proposition with pleasure, first of all because in doing so I am carrying out one of my pre-election pledges. When on the hustings I made the pledge that I would do all I could to secure the continuance of the pooling system in regard to wheat. It is a pleasure, in the second place, to support the amendment, because I believe the continuance of the wheat-pooling system is in the interests of the farmers themselves. Having regard to the experience gained of the system, and the price paid for that experience, it would be a pity to discontinue it. No one will say that it has been throughout satisfactory in every respect, but most honorable members will admit that many of—shall I say—the abuses, have been removed, and that as the years have gone by those in charge of it have benefited by their experience, with the result that the last Pool has been the most successful of them all. It would be regrettable if, just as everything connected with the system seems to be working well, we were to throw it over in the interests of middlemen and those who speculate and deal in wheat.

Another reason why I think it would be a pity to discontinue the Wheat Pool is that I fear that in the not far distant future there will be a glut in wheat. Some may say that that is hardly likely, but I invite them to remember that during the last few years the price of wheat has been considerably above the average, and that in such circumstances there is always a tendency to increase the area put under cultivation. And so I fear the possibility of a glut in the not far distant future, and my experience

teaches me that the worst time of all for any man or body of men to be thrown on the mercy of middlemen is during a period of glut. It is the time of harvest for the middleman, and I am sorry that there seems to be a move which is receiving the support of not only this Government, but National Governments throughout the States, to throw the wheat producers of this continent upon the mercy of the middlemen. My fourth reason for supporting the amendment is that it seems to be the desire of the majority of the farmers of Australia that there should be a continuance of some form of pooling. The question has been settled in Victoria by the recent plebiscite, in which over 13,000, or more than 86 per cent. of those who recorded their votes, voted for the continuance of a pool. Honorable members of my party who represent New South Wales constituencies assure me that when the result of the plebiscite taken there is made known, it will be found that an overwhelming majority of the farmers of that State are also in favour of continuance. During the debate this afternoon there seems to have been a difference of opinion as to what the farmers in South Australia desire. That diversity of opinion reflects the position in the State itself. In moving among the farmers in my electorate I have found that they are fairly evenly divided on this question. The small farmer—the man who is making a start—in the majority of instances favours a pooling system, while the farmer who is well established is inclined in many cases to favour a reversion to pre-war conditions. There is a reason for this. The small farmer feels that under the present pooling system all are placed on the one footing, whereas under the old system of marketing the small man is forced to realize. He is compelled to sell early in the season, when the market is low, in order that he may meet his obligations, whereas the well-established farmer often has barns in which he can store his wheat, and can afford to wait until the middlemen, having obtained possession of the bulk of the season's crop, start to raise prices and thus to make their big profits. The farmer who is in sound financial circumstances can afford to wait, and so gain the advantage that many of the middlemen secure, but the small farmer who has had to realize early in the season is penalized.

It has been inferred during the debate that the result of the recent South Australian State elections is an indication that the farmers of that State are against the continuance of the Wheat Pool. I deny that. I am not going to say, as some have said, that the Premier of South Australia (Mr. Barwell) did not mention that his Government, if returned to power, would discontinue the present pooling system. As a matter of fact he did. He made it quite clear that if his Government were returned to power it would discontinue the present pooling system.

Mr. CUNNINGHAM.—He did not say when.

Mr. GABB.—No; but it was practically taken for granted that he would discontinue it during the present season. Although the question of the continuance of the Wheat Pool was not one of the main issues of the election, it was mentioned from many platforms. I did over two months' campaigning during the State elections, and I am convinced that one of the principal factors which contributed to the success of the Liberal party there was the cry that wages must come down. The Premier of South Australia made the statement, and the party to which I belong took it up, and used it for its own ends. The cry that "wages must come down" became general; but instead of injuring the Liberal party, I believe it was one of the causes of that party's victory. There are in South Australia a large number of people who are looking for wages to fall. They have been doped by the newspapers into the belief that the high cost of living is largely the result of high wages, and because of that belief, which has been so often dealt with that I need not discuss it to-night, they voted against the Labour party, which stands for decent wages. Another contributing cause of the success of the Liberal party was that in this instance the Nationalists did not come before the people, as on the previous occasion, in one solid body. The Liberals of South Australia threw overboard those who had left the Labour party over the conscription issues, and had formed what was known as the Nationalist Labour party of South Australia. Those two parties had coalesced and worked together practically during the life of the last Parliament, but they did not face the electors on this occasion as one body. The result was that

there were three parties in the field, and as the preferential voting system was not in operation each party was fighting the other. The Liberals consequently believed that they were going to be defeated in the metropolitan area, and in the country districts they put up a tremendous effort, the polling in some rural constituencies being over 80 per cent. of the electors. It was this fear of defeat in the metropolitan area, and the tremendous effort made by the country branches of the Liberal Union, that brought about the success of the Barwell Government. There was a third reason which I shall not mention tonight. There will be a proper time and place to deal with it.

Mr. BRENNAN.—I call attention to the want of a quorum. [Quorum formed.]

Mr. GABB.—An honorable member entering the chamber and hearing reasons advanced for the continuance of the Wheat Pool might ask why—if, as has been stated, there have been pre-election pledges by all parties, and if it is in the interests of the farmers to continue the Wheat Pool—the system should not remain in operation. The answer is, as the good old Book puts it, that no man can serve two masters. No political party can serve two masters.

Mr. HECTOR LAMOND.—I think we ought to have a quorum to hear these arguments.

The TEMPORARY CHAIRMAN (Mr. Bamford).—Order! A quorum is present.

Mr. GABB.—Some members of this Legislature owe their positions to the fact that they told the primary producers they were their friends, and that they intended to look after the interests of the man on the land. They said, "Trust us."

Mr. HECTOR LAMOND.—I again call attention to the state of the Committee. [Quorum formed.]

Mr. GABB.—The position is this: when honorable members opposite feel that they can look after the interests of the primary producers, without clashing with certain other dominating influences, they are prepared to do so faithfully enough. But, when a situation arises in which the welfare of the primary producers directly clashes with the interests of the middlemen speculators, the outcome is similar to what is happening today. Those who provide strongest financial support to the National party

naturally receive first consideration at the hands of that party. Without doubt, pressure is being brought to bear to-day by the speculating interests. There have been evidences of it in South Australia for some time; there are evidences of it now in Victorian politics; and there are evidences of it in this Parliament to-day.

Mr. HECTOR LAMOND.—I think these sentiments ought to be heard by more honorable members than are present. I direct attention to the state of the Committee. [Quorum formed.]

Mr. GABB.—I think I heard the honorable member for Illawarra (Mr. Hector Lamond) remark, by way of interjection, just now that he was understudying myself. I trust that, whatever may happen in certain directions, I shall never prove to have been an understudy of his. However, I am glad that he views with seriousness the fact that frequently there is not a quorum present in this Chamber.

The TEMPORARY CHAIRMAN.—Order! I have already called the honorable member for Angas to order.

Mr. HECTOR LAMOND.—I rise to order. I submit that the remarks of the honorable member are not relevant to the issue before the Committee.

The TEMPORARY CHAIRMAN.—Order!

Mr. GABB.—I can quite understand these interruptions, because, after all, one of the great differences between the party opposite and that which I represent—

Mr. HECTOR LAMOND.—Does the honorable member represent any party?

Mr. GABB.—If not, then I can at least understudy the honorable member in this respect, namely, that I can misrepresent one.

Mr. HECTOR LAMOND.—I rise to order. I submit that the remark that I misrepresent a party is an unwarrantable reflection, and I ask that it be withdrawn.

The TEMPORARY CHAIRMAN.—Order! I call upon the honorable member for Angas to proceed.

Mr. GABB.—I have been endeavouring to deal with the matter of the impossibility of a political party serving two masters. Honorable members opposite, when faced with the question of the future of the Wheat Pool system, and at the same time with the interests of their middlemen masters, find that they must

dance to a tune which is called by the latter. I hope primary producers will take notice of that fact.

Mr. POYNTON.—Are not the Wheat Pools primarily a function of the States?

Mr. GABB.—These obvious efforts to side-track me show that my accusations are striking home. I repeat that when the interests of the primary producers and of the middlemen speculators clash, the Government—realizing that they have been backed financially and otherwise by the latter interests—naturally, and inevitably, stand up for those interests. The Acting Prime Minister (Sir Joseph Cook) has stated that no honorable member on this side was prepared to stand up to the ideals of the Labour party when applied to wheat production. I am prepared to stand up to those ideals, and to advocate them without hesitation in any company, trade unionist or otherwise. The Acting Prime Minister went on to say that the application of the Labour party's principles to wheat-raising would mean that every farmer would have to keep a book of his own. He continued that it would be the Labour party which would decide what was a fair margin of profit. The Acting Prime Minister declared that the Labour party said, in effect, that if wheat-growing would not pay wages the industry should not continue to exist. With the adeptness of the right honorable gentleman for misrepresenting the case of his opponent—a cleverness gained by long years of parliamentary experience—

The TEMPORARY CHAIRMAN.—Order!

Mr. GABB.—If those words are not parliamentary I can only say that their like has been hurled at me more than once, without protest from the Chair. To say that the Labour party has laid down that, if wheat-growing cannot be made to pay wages it should not continue to be carried on, is a gross misrepresentation. We assert that, as in every other industry, the man engaged therein should receive a fair return for his labour. I can imagine the Acting Prime Minister framing an interjection, "If you talk like that you will come into conflict with the consumer." I may do so, but I am prepared to say to any trade-unionist gathering, "If you ask for a fair return for your labour, you cannot deny to those who work out in the fields a fair

return for theirs." It is the all-embracing nature of labour's interests which makes our party the truly national one. It is this consideration which most strikingly distinguishes the Labour party from the Corner party, with its narrow, sectional interests.

Mr. HECTOR LAMOND.—There is not a quorum present.

The TEMPORARY CHAIRMAN.—Order! The honorable member has exhausted his time allowance.

Mr. GABB.—Since no other honorable member has risen to speak I claim the right to continue and occupy the full time allotted to me. I emphasize that the fact that the Labour party desires to safeguard the interests of as many people as possible, engaged in as many activities as there are in Australia, provides that party with its best hall-mark, and makes me personally glad that I belong to it. The honorable member for Wakefield said that it was not the function of the National Parliament to interfere with the establishment of Wheat Pools, a rather belated statement, in view of what we have done in the past in regard to butter, wheat and wool. If I understand the function of this Parliament, it is to help the primary industries, on which our financial prosperity is based, whenever they seem to be in difficulties. The honorable member apparently considers the Wheat Pool system good and necessary in time of trouble, but discredits it when things are normal. Similarly, when the war was on, every one favoured the maintenance of the Commonwealth Line of Steamers; but now it begins to be whispered that the vessels should be sold. In Great Britain, when the war broke out, the private banks, being fair-weather institutions, had to close their doors for three days, and banking had to get the support of the national credit. Now, the desire is to revert to the old system of private control. The big firms that deal in wheat, notwithstanding all their money, could not control the wheat business during the war; it was necessary then to invoke the aid of this Government, and of the Government of Great Britain. But now that the danger is over, and things are normal, the speculators wish to control the business again. The whip is being cracked, and some one is to be sacrificed. With the so-called

Nationalists, when the choice lies between the middleman and the primary producer, it is the latter who goes to the wall. Let the primary producers take heed of these facts, and learn that their salvation is to be won only by joining with the workers of the cities. It is only when those who are exploited in the field go hand and hand with those who are exploited in the factory, standing and voting together, that they will win through.

Question—That the words proposed to be added (Mr. RYAN's amendment) be so added—put. The Committee divided.

Ayes 13
Noes 26

Majority 13
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AYES.

Blakeley, A.	Makin, N. J. O.
Brennan, F.	McGrath, D. C.
Charlton, M.	Moloney, Parker
Considine, M. P.	Ryan, T. J.
Cunningham, L. L.	<i>Tellers:</i>
Fenton, J. E.	Mathews, J.
Gabb, J. M.	Riley, E.

NOES.

Bell, G. J.	Livingston, J.
Blundell, R. P.	Marks, W. M.
Cameron, D. C.	Maxwell, G. A.
Cook, Sir Joseph	McWilliams, W. J.
Foster, Richard	Poynton, A.
Francis, F. H.	Rodgers, A. S.
Greene, W. M.	Ryrie, Sir Granville
Gregory, H.	Smith, Laird
Groom, L. E.	Stewart, P. G.
Hay, A.	Wise, G. H.
Higgs, W. G.	<i>Tellers:</i>
Hill, W. C.	Marr, C. W. C.
Jowett, E.	Story, W. H.

PAIRS.

Catts, J. H.	Bowden, E. K.
Lavelle, T. J.	Bruce, S. M.
Lazzarini, H. P.	Chapman, Austin
Mahony, W. G.	Foley, G. J.
Nicholls, S. R.	Corser, E. B. C.
Tudor, F. G.	Hughes, W. M.
Watkins, D.	Mackay, G. H.
Anstey, F.	Fowler, J. M.
Moloney, Dr.	Best, Sir Robert
McDonald, C.	Burchell, R. J.
West, J. E.	Prowse, J. H.

Question so resolved in the negative.

Amendment negatived.

Mr. MAKIN (Hindmarsh) [8.43].—I wish to draw the attention of the Postmaster-General to the fact that a number of telephone subscribers connected with the Adelaide exchange are charged exorbitant ground rents compared with

those charged to other subscribers who are further from Adelaide Central, but are in centres possessing local exchanges which are connected with it. This is, of course, due to the present departmental policy of varying rates according to the radial location of the subscriber. There are in Hindmarsh 45 of these subscribers who pay a minimum rental of £5 per annum; 59 who pay £5 10s.; 30 who pay £6; 23 who pay £6 10s.; and 14 who pay £7 per annum. This is most inequitable. It will be necessary for the Government to give consideration to the question of installing a local telephone exchange for the west suburban districts, and I request the Minister to institute the necessary inquiries, and afford early consideration to such a proposal. The present difficulty could to some extent be overcome, and a more equitable rental to many telephone subscribers be possible if the temporary exchange at Woodville were so located that the 2-mile radius from it would extend to within 2 miles of the Port Adelaide Exchange. That would bring within the 2-mile radius many of the subscribers who, today, are charged increased rental, because they are outside that radius, and thus greater justice would be done to many subscribers in Hindmarsh and the more distant section of the Woodville District, without prejudicing the position of those subscribers attached to the Woodville Exchange at present.

I desire to bring under the notice of the Committee two matters relating to the Department of Defence. The first is an improper deduction from the war gratuity of a man who served with credit in the recent war. On the transport by which he returned to Australia a dispute arose in regard to the soldiers being allowed ashore, and because of the action taken by this particular soldier his war gratuity was reduced by sixty days, although this occurrence was many months after the termination of the war, and I would remind honorable members that the gratuity is only made to that period, and not the date of ultimate discharge. When he requested that the matter should be dealt with by the War Gratuity Board, the only satisfaction he received was a letter which quoted a section of the War Gratuity Act, without stating how it applied to the circumstances of his case. Honorable members will be able to

judge the merits of the case from the following correspondence:

31st May, 1921.

Re War Gratuity.

I acknowledge receipt of your appeal against the deduction of forfeiture from your war gratuity. Your appeal, together with full particulars of your service, was referred to the War Gratuity Board, who ruled that the forfeitures are deductible in accordance with section 5-2 of the War Gratuity Act, which reads—

"Payment of the war gratuity shall be made for each day of the qualifying period of service of the member upon or in respect of which the member earned and received from the Commonwealth the full pay of his rank."

(Sgd.) THOMAS BOYLE, Major,
District Finance Officer,
4th Military District,
Prospect.

3rd June, 1921.

The War Gratuity Board,

per Thomas Boyle, Esq.,
District Finance Officer,
4th Military District,
Keswick.

Dear Sir—

Replying to your communication, 8098, it would appear as though my time has been wasted in completing the form that you were kind enough to bring under my notice.

In taking the course I did, I was impelled thereto by the impression that the spirit of the Act, vested in the Gratuity Board, would have operated, and my appeal, that the deductions were grossly unjust under the circumstances, have borne some weight, for the following reasons:—

(1) The offence which I was alleged to have committed was in Australia, and after war had ceased.

(2) That I had no end to serve that was not shared by the whole of my comrades, including officers, subsequently.

(3) That upwards 700 of the men concerned approached head-quarters by petition before any question of defying authority was mooted.

(4) No ill-consequences eventuated as a result of my alleged offence; rather the opposite, and probably actual mutiny and riot were obviated thereby.

(5) I have expiated my alleged offence by a term of imprisonment.

(6) My service, while in France, was without blemish.

I was further fortified in the impression I held when making my appeal by the following statement of the Prime Minister and Sir Joseph Cook, when the Gratuity Bill was given effect to in Parliament—*Hansard*, page 1055:—

Mr. Hughes.—"A person who has served a sentence is not disentitled to receive the gratuity unless he has been cashiered or dismissed from the Forces. . . . to have been sentenced to a term of imprisonment does not exclude a man from the benefits of the gratuity."

Sir Joseph Cook.—"Further, it must be remembered, that the cases that have been alluded to can be brought before the 'prescribed authority,' who we may be sure will deal as leniently with them as possible. Only those who are deserving of no consideration are deprived of the gratuity."

Although nothing is stated, I must assume that the latter portion of Sir Joseph Cook's remarks are made applicable in my case, and as I have been in the ranks I have long since recovered from the foolishness of thinking that any protest is worth while. I do not write this by way of further appeal to the Board, and would point out to them that it was quite superfluous to quote me a slab of the Act, for I well knew under which clause certain deductions could be made. It was against this that I appealed. However, I quite realize now that my mistake was a misjudgment of its administration.

Yours, &c.

Mr. McWILLIAMS.—What was his offence?

Mr. MAKIN.—It is alleged that this soldier incited to mutiny; but rather was he responsible for appeasing the agitated state of mind of the soldiers aboard this transport. The Defence authorities were absolutely responsible by the undue delay in disembarkation. The case to which I am referring is that of Gunner G. E. Yates. Later, a further endeavour was made to discredit him. A Committee of this House adjudged him as successful in establishing his claim in having seen actual service in the engagements upon the Western Front, although previously an attempt was made by the Prime Minister and other members of the Government to place this soldier under a cloud and discredit his service abroad. I have reason to believe that there is displayed towards him, by the Department, more than an ordinary prejudice, strongly savouring of political bias. On the 13th June last Major Boyle wrote to this soldier—

You are informed that your war gratuity bond has been at the Adelaide Money-order Office since 16th February, and if not collected within fourteen days of the above date will be recalled.

In an endeavour to close the soldier's mouth, and compel him to accept an amount which he protested against as being insufficient, he was threatened that, unless he drew the bond within a certain time, he would be deprived of it. I ask the Committee to recognise, in this correspondence, evidence of a grave injus-

tice having been perpetrated by the Department, and I hope that the case will be reconsidered, so that this man may receive the full amount of gratuity to which he is justly entitled.

In a recent compulsory training camp in South Australia a serious accident occurred. A horse attached to one of the vehicles belonging to the Department bolted, and one lad named Guerin lost his life. The authorities are at present considering the claims of this young man's parents. Another cadet named Carlton was also thrown from the vehicle, and sustained concussion of the brain. His case is such as I desire to also direct the attention of the Assistant Minister. He has claimed compensation from the Department, which has paid him £9, that being, according to the officials, equivalent to the amount due to him on account of loss of time from his employment. No consideration has been given him on account of the serious after-effects of the accident, although, at the time of the accident, the lad was a servant of the Department. The sum of £9 is most inadequate compensation. I ask the Assistant Minister (Sir Granville Ryrie) to further investigate these two cases and endeavour to have a full measure of justice done to both men.

Mr. RODGERS (Wannon—Assistant Minister for Repatriation) [9.0].—I desire to have a clear understanding with the Deputy Leader of the Opposition (Mr. Ryan) with regard to an undertaking which I gave him and the House on the 12th instant. We were then discussing the validation Bill consequent on the annulment of the appointment of Lieut.-Colonel Walker as War Service Homes Commissioner. I promised to make a general statement regarding the War Service Homes Department, and to afford an opportunity to honorable members to discuss the whole of the circumstances connected with Lieut.-Colonel Walker's case. That promise was made conditionally on a speedy consideration of the Bill then under consideration. This Supply Bill seems to afford a reasonable opportunity for the discussion I promised to facilitate; and I wish to know whether the Deputy Leader of the Opposition will be content to have the two matters referred to considered together.

Mr. RYAN.—Yes; I think I shall be satisfied with that.

Mr. RODGERS.—I shall first make the promised statement in regard to the War Service Homes Department.

Mr. McWILLIAMS.—Does the honorable gentleman intend to open the whole question of the War Service Homes administration?

Mr. RODGERS.—I am now speaking on the Supply motion before the chair, and I have been told that the Deputy Leader of the Opposition will be satisfied that my promise has been fulfilled if the two matters are taken together. I have had a memorandum prepared setting out the circumstances as follows:—

Applications for the position of War Service Homes Commissioner were invited by the Government in January, 1919. The following advertisement was inserted in the chief metropolitan newspapers throughout the Commonwealth:—

DEPARTMENT OF REPATRIATION.

HOUSING COMMISSIONER.

War Service Homes Act 1918.

Applications are invited from gentlemen qualified for the position of Commissioner to administer the above Act. The appointment will be for a term of seven (7) years, but at the expiration of this time it may be renewed for a similar period.

Salary—£1,500 (Fifteen hundred pounds) per annum.

Copies of the Act may be seen at the office of the Deputy Comptroller, Department of Repatriation. Applications, which close on the 7th February next, should furnish details of qualifications and experience, and be addressed, in the first instance, to the Comptroller, Department of Repatriation, King-street, Melbourne.

E. D. MILLEN,
Minister for Repatriation.

D. J. GILBERT,
Comptroller, Department of Repatriation.

Lieut.-Colonel James Walker was selected for appointment from amongst the applicants. He was then requested to see the Minister (Senator Millen), and, that interview being satisfactory, was asked to submit references. He gave three. They were communicated with in the following terms:—

(Confidential—on envelope)

Charles Baker,
Manager Bank of New South Wales,
Albury, New South Wales.

Lieut.-Colonel James Walker under consideration for Housing Commissionership under Soldiers' Home Act. Senator Millen will be glad to be favoured with your confidential opinion as to his character and capacity. Unless you see objections will be obliged to have collect wire.

Comptroller, Repatriation.
25.2.1919.

Similar telegrams sent to—

H. Cupples, London Bank, Brisbane.

Hargraves, Hydraulic Department, Brisbane.

Two replied most favorably, and the existence of their replies was known to the Minister. The third, Mr. H. Cupples, London Bank, Brisbane, replied by telegram, on the 26th February, as follows:—

26th February, 1919.

Controller, Repatriation,
Rialto, Melbourne.

(Confidential.)

Brisbane 62 9/8 Collect 2-55p, 3-59p.

Your telegram yesterday party is brave and energetic had long experience building contractor north Queensland ability lies in that direction and good with men rather than as an administrator during absence front was made insolvent under old mining guarantee Judge expressed sympathy with absentee whereupon Bank Australasia discontinued pressure consider fill outside position admirably.

H. CUPPLES.

MR. RYAN.—Was that telegram received simultaneously with the other replies?

MR. RODGERS.—That, I think, is so—on the same day.

MR. RYAN.—And that was kept by the Minister for Repatriation (Senator Millen)?

MR. RODGERS.—No, I cannot say that, but if the honorable gentleman will be content to wait until the whole memorandum has been read, he will be able to form his own opinion. The memorandum proceeds—

This telegram the Minister did not see, nor was he aware of its contents. On the same day, Lieut.-Colonel Walker was appointed Commissioner, and acted in that capacity until 12th March, 1921.

On 29th September, 1920, the Minister left for England to subsequently attend the Geneva Conference. The Honorary Minister, Mr. A. S. Rodgers, temporarily took charge of the Department.

On 9th March, the Acting Minister received confidential intimation that at the time of his appointment Lieut.-Colonel Walker was an un-certificated insolvent. As the War Service Homes Act contains a definite prohibition on this head—section 7.—“A person who is an un-certificated bankrupt or insolvent shall be incapable of being appointed a Commissioner”—steps were forthwith taken to clear the matter up. Inquiries revealed that Lieut.-Colonel Walker was adjudicated insolvent on the 30th September, 1915, under proceedings in Supreme Court, Queensland, and remained so until the annulment of insolvency on 19th July, 1919.

The Government resolved that prompt and decisive action in the circumstance were im-

perative. Lieut.-Colonel Walker was sent for, and admitted that the position was as mentioned above, but added that the circumstances of the insolvency were not discreditable to him, and were known at the time of the appointment by Senator Millen, and that there was a telegram on the file as to his insolvency. The file was procured and contained Mr. Cupples' telegram above quoted.

As Senator Millen was within a few days of arriving in Australia, the Government decided to await his arrival before finally acting. Accordingly, Lieut.-Colonel Walker was granted seven days' leave of absence, and Colonel J. M. Semmens was appointed Acting Commissioner for that period.

On 17th March—after reaching Victoria—the Minister was informed of the circumstances and of Lieut.-Colonel Walker's statement that he (the Minister) knew of such insolvency at the time of appointment. This the Minister positively denied. An interview, as arranged, took place the following day between the Minister and Lieut.-Colonel Walker, and subsequently the Acting Minister was present. The result of the interview is set out in the following statement by the Minister:—

On my return journey to Melbourne I was met at Ballarat by Mr. Rodgers. That gentleman informed me of the position that had been created by the disclosure of the fact that Lieut.-Colonel Walker was insolvent at the time of his appointment. He further stated that Lieut.-Colonel Walker said that I was aware of the insolvency. Consequent upon this statement I sought an interview with Lieut.-Colonel Walker, which interview took place in the Minister's room at the House of Representatives on Friday morning last at 10.30 a.m. I informed Lieut.-Colonel Walker of what Mr. Rodgers had told me, and asked Lieut.-Colonel Walker if that correctly represented his statement to my colleagues. He replied definitely in the negative, and said that he could not possibly say what I knew, and what I did not know, but from the fact that the telegram relating to his insolvency was on the file he assumed that I knew when discussing the matter with my colleagues.

After leaving Lieut.-Colonel Walker I went over to the Cabinet room to attend a Cabinet meeting timed for 11 o'clock. As the Cabinet had not formally assembled, I related to such of my colleagues as were present what had transpired between Lieut.-Colonel Walker and myself. Those of them who had met Lieut.-Colonel Walker at the time it was alleged that he made his original statement were so definite as to his clearly affirming my knowledge of his insolvency that I thought it advisable to seek a further interview with Lieut.-Colonel Walker, and asked Mr. Rodgers to endeavour, by telephone, to secure Lieut.-Colonel Walker's immediate attendance. On Lieut.-Colonel Walker attending in response to the invitation I left the Cabinet with Mr. Rodgers, and we interviewed Lieut.-Colonel Walker in the

Prime Minister's adjoining room. I pointed out to Lieut.-Colonel Walker the discrepancy in the statement which my colleagues informed me he had made and that which he had made to me earlier in the day. I asked him to state definitely whether he had affirmed that I was personally aware of his insolvency when approving of his appointment. He stated definitely that he did not affirm that I was personally aware of the insolvency, but he had assumed that I knew of it from the fact that the telegram from Mr. Cupples was on the file. He further spontaneously stated that he fully accepted my statement that I was not aware of the insolvency, or of the existence of the telegram referring thereto at the time the appointment was made.

(Signed)

E. D. M.

21.3.21.

Paragraph No. 2 above is substantially correct.

A. S. R.

The initials are those of Senator E. D. Millen and myself. That was what might be termed notes of the interview made by Senator Millen.

Mr. CONSIDINE.—Was Senator Millen aware of the telegrams being sent out in the first instance?

Mr. RODGERS.—Yes. When Lieut.-Colonel Walker was selected for the appointment, as stated, Senator Millen asked for three references, and directed the Comptroller to send out the telegrams.

Mr. RYAN.—What was the purpose of making a note of the interview?

Mr. RODGERS.—I did not make the note, and, therefore, I do not know the purpose of the Minister, who did. I assume, however, that a responsible Minister would, as an act of ordinary prudence, make a note of an interview bearing so directly on a matter of conflict between a responsible officer and himself—

Although undoubtedly aware of the prohibition contained in section 7 of the Act, at no time from the inception to the annulment of the appointment did Lieut.-Colonel Walker take any steps to notify either the Minister, Acting Minister, or any member of the Government of his insolvency, and the Government became aware only under the circumstances above related.

After further consultation, the Government determined that it was imperative that the appointment should be declared null and void. Action accordingly was taken.

Prior to the discovery of the insolvency, the Minister had doubts as to the efficiency of the administration, and had directed certain inquiries to be made by a specially appointed accountant, and, later, an Advisory Committee

was appointed to investigate the affairs of the Department, but these inquiries had not proceeded sufficiently to call for action at the time of the removal of Lieut.-Colonel Walker from office. As these inquiries proceeded, however, and were supplemented by that undertaken at the request of the Government by the Public Accounts Committee, it became apparent that Lieut.-Colonel Walker's administration was extremely unsatisfactory.

The Government do not propose to re-appoint Lieut.-Colonel Walker to the Commissionership. Apart from his action in applying for and holding a highly responsible public position for which he must have well known his legal disqualification, the Government do not now regard the re-appointment of Lieut.-Colonel Walker desirable in the public interest.

Mr. McWILLIAMS.—How did that telegram which Senator Millen never saw get on the file?

Mr. RODGERS.—The telegram from Mr. Cupples would get on the file as do other documents which reach a Department; the officer responsible for the files would put it there.

Mr. RYAN.—Who was he?

Mr. RODGERS.—I do not know; but the telegram would naturally reach the hands of the Comptroller.

Mr. RYAN.—Who was he?

Mr. RODGERS.—Mr. Gilbert.

Mr. RYAN.—Where is he now?

Mr. RODGERS.—I understand he is in Melbourne.

Mr. RYAN.—But not in the Government service.

Mr. RODGERS.—He is not in the Government service. At this juncture, at any rate, I do not propose to supplement the statement I have prepared and submitted.

Mr. RYAN.—How did you find out about Lieut.-Colonel Walker's insolvency?

Mr. RODGERS.—If the honorable member will look at the memorandum, a copy of which I have handed him, he will see that I received confidential information.

Mr. RYAN.—“Confidential”? I did not see that.

Mr. RODGERS.—I may say that, prior to the receipt of the information I had already appointed a Tribunal to investigate certain affairs in connexion with the War Service Homes, New South Wales Branch, which had been laid before me by a large deputation of Sydney when the Deputy Leader of the Opposition was present.

I now propose, with the indulgence of the Committee, to make a statement

covering some, at all events, of the more important phases of the operations of the War Service Homes Department to date, to review briefly those operations, and to outline to the Committee the proposals of the Government with regard to the future conduct of the Department. Honorable members will readily understand that it would be almost impossible to adequately sketch in detail in an address of this description the operations of a Department that already has expended nearly £14,000,000, more especially as those operations, in the very nature of things, are widespread, and cover a huge field. The law requires that as nearly as possible after the end of the financial year, a report, statement, and balance-sheet of the whole of the building operations and transactions of the Department shall be prepared and submitted to Parliament. That statement is in course of compilation, and will contain the detailed information that will enable honorable members to more minutely investigate, check, and compare the transactions and operations of this Department with those of similar institutions throughout the Commonwealth. At this stage, therefore, I shall content myself by dealing with the larger phases of the Commission's work.

In the first place, I would remind the Committee that the whole scheme of building homes for soldiers, and the dependants of soldiers, about which we have seen a good deal of criticism throughout Australia, was approved by Parliament. I may say in passing that I do not resent in the slightest helpful criticism, but am sorry that sometimes criticism that is not only not helpful but uninformed, is indulged in, and given undue prominence. As a matter of principle I never attempt to pursue or deal with that class of criticism; but helpful criticism, either within or outside this House, I am always pleased to have, and wherever possible am willing to profit by it. I would impress upon the Committee, as well as the soldiers for whom the undertaking was started, and the country generally, that the whole scheme of building War Service Homes, which is now being discussed throughout the Commonwealth, was practically in detail outlined to, and approved of, by this Parliament. A Bill embodying the scheme passed both Houses, and duly received the Royal assent. The Commission was constituted on 6th March, 1919; the appointment of

the Commissioner was approved and gazetted on the same day, and the operations of the Department forthwith commenced. It will be easy for honorable members to recall that at its inception our soldiers were coming back in their tens of thousands, that there was an acute shortage of housing accommodation, and a limited supply of materials. Building materials were not only hard to get, but very costly, and on many occasions were not of the quality that one would have liked to obtain for soldiers' homes. The Commissioner altogether was faced with a very difficult situation in launching so huge an enterprise. As to that there can be no question. It is very difficult, however, to lift the public mind from the immediate surroundings of the day, and carry it back to a survey of the conditions which prevailed two years or more ago. There was a flood of applications by soldiers, and a wealth of good feeling, as well as a plenitude of funds at the start of this great enterprise; but it must be said, in justice to the Commissioner, that at that time he had no organization, and had to marshal his requirements and carry on with an untrained staff.

Mr. JOWETT.—Is the honorable gentleman speaking of Mr. Gilbert?

Mr. RODGERS.—No; Mr. Gilbert had nothing to do with the War Service Homes Department. I am referring to Lieut.-Colonel Walker, and every consideration must be given to the difficulties with which he was confronted at the outset. The Minister (Senator E. D. Millen) was impressed with the weight of the task that rested on his Commissioner, and accordingly made arrangements with the Commonwealth Bank that until the Commissioner got his organization ready, it should undertake to act as agent for the Commonwealth in carrying on the work of providing homes. Under section 20 of the Act the Commissioner had power to make an advance to a soldier to enable him—

- (a) to erect a dwelling house on land owned by him;
- (b) to purchase land and erect thereon a dwelling house;
- (c) to purchase a dwelling house, together with the land on which it is erected;
- (d) to complete a partially erected dwelling house owned by him;
- (e) to enlarge a dwelling house owned by him; or
- (f) to discharge any mortgage, charge or encumbrance already existing on his holding.

The programme was made wide enough to enable homes to be provided under all those headings. It was foreseen that, pending the getting together of a complete organization, a rapid building programme was not possible, and that, consequently, a policy of purchasing houses already constructed would have to some extent to be pursued. The real policy which this Government set out to pursue, however, was to erect for the soldier a substantial, modern and reasonably economical house; but the Commissioner had, as I have said, to face abnormal conditions in the original part of his programme. In other words, he fell on hard times.

The operations to date of the War Service Homes Department cover the provision of 17,170 houses.

Mr. MARR.—Have those houses been completed?

Mr. RODGERS.—Yes, practically the whole of them. There are some in the State of South Australia that are not yet completed, but in this list I have otherwise omitted houses in course of construction. The cost of providing these 17,170 houses has been:—Commission, £7,735,909; Commonwealth Bank, £4,587,590; or a total as between the Bank and the Commission of £12,323,499. To that amount must be added £700,607 expended—or contracted to be expended—by the State of South Australia in respect of 1,013 houses. That approximately represents the completed programme of the Commission to date.

Mr. CHARLTON.—Does it include the purchase of houses that were already erected?

Mr. RODGERS.—It includes the provision of all houses under the headings I have just read.

Dr. MALONEY.—Does the honorable gentleman say that the 17,170 houses cost £12,323,499?

Mr. RODGERS.—Including the South Australian figures the total expenditure amounts, roughly, to £13,000,000.

I do not propose to-night to go into details further than to show the programme carried out by the Commission and by the Commonwealth Bank. The Commission has completed the construction of 2,703 houses. It has in course of construction 1,106 houses, while the number of applications approved for building, tenders in respect of which have been approved in some cases, is 1,255. The

houses purchased, but the transfers in respect of which, in some cases, have not yet been effected, is 5,007, and the expenditure incurred under these three headings totals £3,062,074. Mortgages discharged total 619, representing an expenditure of £318,961. The Commission's average cost of construction, without land, is £735, while the average cost of construction, including land, is £783. The Commonwealth Bank's programme to date is as follows:—Houses completed, 1,779; houses in course of construction, 70; applications for which tenders are being called, 32, the expenditure under these three headings being £1,241,295; houses purchased, but transfers, in a few cases not yet effected, total 5,216; representing an expenditure of £2,856,666; mortgages discharged, 763, representing an expenditure of £352,383. The average cost of construction, with land, was £686; and the average cost of construction, without land, £637. [*Extension of time granted.*] I also desire to add details of the programme undertaken by the South Australian Government to date.

Mr. FENTON.—The Commission's charge per house, including land, is £783; the Bank's charge, including land, is £686. How is the difference accountable?

Mr. RODGERS.—I propose to deal with that matter in detail; but I might remark, in passing, that the Bank was operating when the Commission was not doing so; and it may be said that the Commission had to face from the inception a set of costs which no builder, having any building enterprise of magnitude in hand, has ever been called upon to face in this country.

Mr. CHARLTON.—In making the estimates with respect to the Commission, has the Minister considered the amount of land which the Commission has purchased, but has not utilized?

Mr. RODGERS.—I am not taking into account any land purchased which has not yet been built upon. The Government of South Australia has either purchased or built, or has in the course of purchase, 1,083 houses at a total cost of £700,607—an average, including land, of £646 18s. 3d. I again emphasize that accurate statistical details will be furnished with the annual report, statements, and balance-sheet now in course of compilation. It is not possible, in circumstances

such as the present, to expect honorable members to closely follow the whole procedure when three programmes are being dealt with, and where comparative figures of cost are involved. Nor is it possible to give the particulars in every detail. They will be so set out in the annual statement that they will be readily available for purposes of comparison, and I undertake that that report and balance-sheet shall be presented to Parliament at the very earliest opportunity. Indeed, it is compulsory for the Government to provide such a statement.

The operations of the Commission have been carried out, in the main, under the day-labour system. Certain contracts in some of the States have been let; but I repeat that most of the work has been done by day labour. This has involved a degree of supervision which has proved, in my judgment, to be too great an undertaking for any central Government. Operations are spread over all the States, and although the Commissioner secured an advantage at the time by way of the acquisition of material in large quantities, and at concession rates, that advantage was more than lost in labour difficulties and labour costs. I say this in no party spirit; but it is a fact that the building difficulties experienced during the period in which the Government has been constructing homes have been most unsatisfactory. In the early stages material was almost impossible to secure, and was very dear, while labour was scarce because of the war. Rates of pay were very high, and there was a great deal of industrial unrest, including strikes. The Commissioner complained that the go-slow policy was in operation throughout his entire programme, and that, in addition, there were retrospective awards of Courts which fell back upon houses that had been practically completed.

It is well to remind honorable members that a limit of cost was placed upon soldiers' homes. In the original Act, passed in December, 1918, the limit was made £700. The Commissioner reported that, with the increasing cost of material and labour, and with the difficulties of building generally, the sum was not sufficient. In October, 1920, the limit was increased to £800. I propose to deal at a later stage with the inadequacy even of

that provision in the circumstances, as they developed. The Commissioner, being unable—as he reported to the Government—to secure an adequate and dependable supply of material, embarked on the purchase of timber areas. He bought in Victoria a proposition known as Knott's. This he re-sold to Driver at a price which will repay the purchase money and insure a full supply of timber for the requirements of the Commission at a concession of 10 per cent. on ruling rates. The acquisition of large timber areas in Queensland was undertaken by the Commissioner for reasons similar to those which influenced his Victorian undertakings. That is to say, he was unable to secure sufficient supplies. The details of these transactions have been placed before Parliament and the country through the investigations of the Public Accounts Committee. That body reported that the purchases were, in the circumstances then existing, justified. Such a report, from a body composed as is the Public Accounts Committee, was—so far as the departure by the Government from ordinary practice is concerned—in itself a justification.

Mr. MAKIN.—What is the reason for the closing down of those mills during the past four months?

Mr. RODGERS.—In a recent hurried trip to Queensland the honorable member apparently took a flying survey of the timber industry of that State; but I would remind him that his investigations could not have been complete. Those timber mills have been closed down for the candid reason that the Commission has on hand in Queensland more timber than it requires. It has a running contract for supplies, in addition. Its depôts are full, and it would be little short of madness to go on cutting timber for which the Commission had no need. I point out that the same conditions apply to the milling industry in most of the States at present, as old and experienced millers have acknowledged.

Mr. BLAKELEY.—But the Commission is buying timber from other contractors, while its depôts are full.

Mr. RODGERS.—We are all wise after the event. There was a running contract in Queensland previously made which provided for the supply of 6,000,000 feet of Queensland hoop pine per annum. That contract is being

honoured on both sides. Do honorable members suggest that the Government should repudiate its obligation?

Mr. RICHARD FOSTER.—How long has the contract to run?

Mr. RODGERS.—It was for three years, and rather more than twelve months have elapsed.

Mr. BLAKELEY.—The undertaking suggests pretty bad management.

Mr. RODGERS.—The contract was entered upon prior to the purchase of the Queensland mills. It has been thoroughly investigated by the Public Accounts Committee, and has been described as a good contract, even in the light of conditions existing to-day.

Mr. MAKIN.—In taking over those timber areas did the Commission accept also the contracts which had been let to the former owners of the mills? I refer to contracts for kerosene cases and dried fruit cases.

Mr. RODGERS.—The honorable member has in mind particularly, I suggest, a contract with the firm of Nestles. That contract, so far as Mr. Leahy was in a position to pass it on, was so passed on; but the Nestles Company appears to question its obligation to accept supplies from any other than the party with whom it had entered into contract.

In connexion with the whole of the operations of the War Service Homes Department, both in the staffing of the Commission throughout the Commonwealth, and with respect to the Central Administration, the Government has adopted the principle of preference to returned soldiers. The few exceptions consist of specially trained officers, who were necessary to stiffen up specific matters of administration. In every direction, the Government has endeavoured to observe the principle of preference, right down to actual working operations—that is to say, in the construction of homes. Both the Commissioner and his Deputies in all the States were empowered, and directed, indeed, to observe that principle. In respect of most of the exceptions, the officers concerned were already in the Commonwealth or State Public Service, and had been transferred on loan.

In the building of homes for soldiers the cardinal principle of the Act is that a soldier shall get his house, and the land

attached, at actual cost price, plus nothing. Nothing is charged by way of profit, and money is advanced to the soldiers at 5 per cent., which is a lower rate of interest than can be obtained under other circumstances. Furthermore, the cost of administering the Department is borne by the general revenue instead of being charged to construction, while there is an internal departmental system of insurance which gives substantial benefits to the soldiers. The Government, however, is faced with this difficulty, that, because of the abnormal conditions, close on 1,400 of the houses that have been erected have cost more than the amount allowed by the Statute. The excess cost of these houses aggregates about £130,000. Ministers have given the most careful consideration to the terms of the Act, to the policy laid down by Parliament, and to promises made to the soldiers, and have determined that these promises shall be honoured.

Mr. BLAKELEY.—Does that mean that the Commonwealth will pay the difference?

Mr. RODGERS.—In amplification of my statement, I say that each case will be dealt with on its merits. It is not possible to treat all these cases alike.

Mr. BELL.—Is not the soldier to be charged the extra cost?

Mr. RODGERS.—Ministers have given full consideration to this question, and have determined to observe the terms of the Act, having regard to the contracts entered into in each case.

Mr. HECTOR LAMOND.—Have you arrived at the conclusion that the houses have cost more than they are worth, or that you are giving the soldier better value than the Act allows?

Mr. RODGERS.—A great deal of humbug has been talked about jerry-building in connexion with War Service Homes.

Mr. GABB.—What about those at Goulburn?

Mr. RODGERS.—One would not condemn a bag of sound wheat because of a few tares in it, and, speaking by and large, the houses built under the War Service Homes Act are good market value. They are excellent modern homes, and could not have been constructed to such advantage for the soldiers under other than Government advances.

Mr. GABB.—What about the houses at Cessnock?

Mr. RODGERS.—If there be any soldier in Goulburn who is not satisfied with his house at the price which it has cost him, the Government will relieve him of it, and give him another.

Mr. BELL.—You are up against serious trouble there.

Mr. RODGERS.—An officer of the Public Works Department was placed at the disposal of the Public Accounts Committee for the examination of the Goulburn houses, and, having perused his report, I feel that there has not been faithful workmanship there. I regret that a gentleman who has taken upon himself the general condemnation of the Commission's operations is responsible, as Chief Architect for these Goulburn buildings. Mr. Kirkpatrick, who criticised the Department when in Brisbane the other day, is responsible for the condition of the Goulburn houses, in so far as that they were constructed under his firm's delegated direction.

Sir JOSEPH COOK.—But everything that is necessary to be done to the houses at Goulburn is to be done at the contractor's expense. The work of making the buildings good is not to cost the Government or the soldier a penny.

Mr. RODGERS.—The gentleman to whom I have referred has gratuitously condemned the general work of the Commission.

Mr. CHARLTON.—He has condemned day labour, although good work has been done by it.

Mr. RODGERS.—In my judgment, it is not in the interests of the soldiers who have to pay for the houses that these should be constructed by day labour, because of the difficulty of supervision over the wide field of operations. No one has as much interest in the proper construction of a house as the man who benefits by its quick and effective construction, or suffers by failure.

Mr. CHARLTON.—All the slummed work has been done under the contract system.

Mr. WEST.—The houses that have been built by day labour are the best finished.

Mr. RODGERS.—We at the Central Office are not immediately concerned in the carrying out of building operations; it is the Deputies in the various States who are intrusted with the actual control of construction, and I called a conference of the Deputies to consider, amongst other things, this matter. It was their unanimous opinion that the day

labour system was not the most satisfactory for the building of soldiers' homes, because of the difficulties of supervision. I do not condemn the day-labour system on the ground of the failure of all workmen to give a fair deal.

Mr. CHARLTON.—Some of these Deputies seem to speak with two voices.

Mr. RODGERS.—The same opinion has been expressed by the Advisory and Consultative Committee appointed by the Government to investigate the work of the Department. It has worked strenuously night and day to solve the difficulties of the situation, and has given the Government valuable assistance. Under the Chairmanship of Major-General Sir James McCay, the Committee has rendered great service to the Commonwealth and to the soldier.

Mr. HECTOR LAMOND.—Were the Goulburn houses built by day labour or under contract?

Mr. RODGERS.—Under contract.

Mr. CHARLTON.—So were the Cessnock houses, and those at Hunter's Hill.

Mr. RODGERS.—I shall be pleased if my statement causes the matter to be threshed out here, so that we may have a clear understanding of the views of members on the subject. The late War Service Homes Commissioner said that the advantages which he had gained in the purchase of raw material were lost in the labour costs of the construction. But in my judgment, notwithstanding the fact that in certain places costs are decreasing, the completed houses represent excellent market value for the expenditure. In several cases soldiers have endeavoured to sell their houses for substantial profits; but the Government does not encourage trafficking in War Service Homes, and when soldiers have been permitted to sell, it has been because they were leaving the country, and the sales have been for prices in excess of cost.

Mr. RYAN.—How far do you carry out the policy of preference to returned soldiers? Does it extend to the choice of contractors?

Mr. RODGERS.—It cannot be applied to contractors. I have visited most of the States, and have inspected many of the War Service Homes, meeting the soldiers and their families, and in the overwhelming majority of cases, the soldiers have expressed complete satisfaction with their homes. They display remarkable pride of ownership, and are doing

much to improve both their houses and their gardens. They recognize that they have obtained homes at a reasonable price which it would have been impossible for them to get under other circumstances. I invite the inspection of War Service Homes throughout the Commonwealth. Towards the end of this month soldier representatives are to attend a Conference at Brisbane, and I have arranged for an inspection of the War Service Homes in Melbourne, by those who pass through this State, and am endeavouring to make arrangements for the inspection of other homes in Sydney and Brisbane, so that the men may be able to pass sentence as to the general workmanship of these edifices. In most cases the houses have been well maintained. There will always be found in an undertaking of this magnitude a proportion of failures which somehow seem to float to the top and get pride of place in public notice when condemnation is being heaped upon the Government. It is remarkable how a poor tenant, who will not look after his house and pay his rent, finds speedy access to somebody who will listen to his tale, and condemn the Government or the landlord. On the whole the soldiers have carried out their contracts fairly well. Last year, approximately £800,000 was received by the Commonwealth in repayments and interest. Statistical details of the amount unpaid will be provided in the statement to which I have referred. I regret to say that quite recently there has been a growing tendency, chiefly through unemployment, for repayments to fall into arrears. There is a wave of unemployment throughout the country that is deeply to be regretted, and only a more confident spirit than is being shown today will help to arrest it. There is in Australia abundance of capital for the maintenance of our industries, primary and secondary, and for the reasonable encouragement of enterprise, and it is not by a cramped policy, and decrying our conditions, that the unemployed trouble will be cured. We are face to face with all the evidences of another good year in respect of primary production, and a little more enterprise on the part of those who are controlling capital would be a wholesome influence in the interest of the soldier and everybody else.

The CHAIRMAN.—The honorable member's extension of time has expired.
[*Further extension of time granted.*]

Mr. Rodgers.

Mr. CHARLTON.—Another factor which the Minister has not mentioned is that many returned soldiers who had taken up homes have been deprived of their pensions, and, therefore, cannot pay their instalments.

Mr. RODGERS.—The Act imposes upon the Commissioner the duty of carrying through this programme on a business basis. He is not permitted to say, as a private owner would, that he will provide a house for this, that, or the other person, who may or may not be able to carry to completion the conditions of purchase; the Commissioner is under an obligation to satisfy the Government and the country that every soldier who is deemed eligible for a home had at the time of issuing the certificate of eligibility a reasonable prospect of carrying through his contract, and making his repayments. So huge an undertaking as the War Service Homes Commission, involving millions of pounds, cannot be run on the loose method of providing a house for everybody, irrespective of his circumstances in life. This is a matter that is determined not only by the Commissioner, but by his Deputies, and the latter have shown a very fair spirit. They have met all applications that were reasonable, and have built according to the programme and the funds available.

Mr. MCGRATH.—In Victoria they have built only in the cities.

Mr. RODGERS.—I admit that there has been an excess of building within the metropolitan area, and at the last conference of Deputy Commissioners I gave a specific direction that henceforth closer attention must be paid to country construction.

Mr. BELL.—They have not taken much notice of that instruction.

Mr. RODGERS.—After all, the governing factor in the carrying through of this programme is the direction from which the applicants come. I remind honorable members that whilst in my judgment the metropolitan area has had very liberal treatment to date in the building programme, thousands of houses have been built for soldiers, not under this Act alone, but out of funds provided by this Parliament and the Government in connexion with land settlement. So that the Government cannot be said to have neglected the country, and to have considered only the metropolitan applicants. At the same time I candidly admit that I should have liked to see more

construction in the country in the past, and I undertake to see that a larger proportion of the expenditure in future is devoted to country construction.

I now turn my attention to the immediate condition of affairs confronting the Government and the Commission. There has been, in my judgment, a vast overestimate by the ex-Commissioner of the building programme. He failed to make anything like a reasonable estimate of the number of houses that could be financed by the country, and in consequence entered into contracts for supplies very much in excess of the Commission's immediate requirements. Last year, the estimates passed by this House included a sum of £6,000,000 for the provision of War Service Homes. That sum was supplemented by an advance from the Treasurer of close upon £1,500,000, so that the expenditure to the 30th June last will be found to have been in the region of £7,500,000. The Treasurer, in the exercise of a privilege conferred upon him by the Act, permitted, as part of the before-mentioned provision, all repayments to be applied to further construction, and, in addition, at the urgent request of myself, provided a further sum of money to enable the Department to go ahead with the building programme. This is a point I desire to particularly emphasize. Provision was made for only £150,000 to be spent during the last financial year on the purchase of already erected homes. The Commissioner, on the other hand, had expended during the financial year, to the 31st May last, in the purchase of already erected houses, and the taking over of mortgages, &c., £2,972,721. That was an inexcusable miscalculation of the aims and objects of the Commission. The Commission was not constituted to be a buyer of real estate, but to (1) provide a sound and modern home for the soldier at a reasonable cost, and (2) to try to cope with Australia's share of an acute world-wide shortage of houses.

Mr. HECTOR LAMOND.—That is a bit of faddism put on it in the Department, and not in Parliament.

Mr. RODGERS.—The honorable member was amongst those who represented their views on this question to me in Sydney. And in view of the condition of affairs that had arisen there, I appointed a tribunal presided over by Mr. John Stinson. I take this opportunity of paying a tribute to the work of the tribunal and of this patriotic man who

placed his services at our disposal without payment to unravel the difficult conditions which had arisen in connexion with the administration of the Sydney office. In consequence, 976 applications for the purchase of already-erected homes, the obligations in connexion with which could not be carried through by the soldiers, were considered by this Tribunal. Applicants had paid in the aggregate £58,384, in the form of deposits which were in danger of being forfeited, and which would consequently have been lost to the soldiers. But in view of the special representations made by honorable members this Tribunal was appointed to urgently investigate every case so it could be taken out of the ordinary operations of the Department, and given close attention in order to solve a very difficult problem. The Tribunal, under Mr. Stinson's presidency, examined the whole of these cases, and reported, in the majority of them, that the Government was morally bound, and in some legally bound, to relieve from possible forfeiture the £58,384 deposited, and carry through the purchases. Whilst the late Commissioner had at his disposal only £6,000,000 authorized by Parliament for the year for the provision of homes and the purchase of land, material, and other requirements provided for under section 20 of the Act, he expended £2,972,000 on the purchase of already-erected houses, which meant that we could not build homes if we continued as we were going.

Mr. HECTOR LAMOND.—The Minister is quite wrong.

Mr. RODGERS.—In the majority of cases.

Mr. HECTOR LAMOND.—Not in the majority of cases in my electorate.

Mr. RODGERS.—The honorable member will have his opportunity of putting his case, and as this is a very involved matter, I trust he will allow me to proceed.

Mr. McWILLIAMS.—When will he have his opportunity?

Mr. RODGERS.—When I have concluded.

Mr. HECTOR LAMOND.—But the Minister may speak for an hour and a half, and I will have to wait here all night.

Mr. RODGERS.—I shall curtail my remarks if the honorable member so desires.

Mr. HECTOR LAMOND.—I do not wish that. But we should not rush this through.

Mr. RODGERS.—I am sorry to say that, in the purchase of already-erected houses, a certain amount of what might be termed speculative building was encouraged. The Department was established with the intention of building new homes for soldiers, and the policy of wholesale purchasing of already-erected houses meant displacing one tenant to accommodate another. Evidence has been produced which proves that houses had been merely brushed up and painted, and dumped on to the Commissioner.

Mr. BELL.—Whose fault was that?

Mr. RODGERS.—The Commissioner's, chiefly.

Mr. HECTOR LAMOND.—Were those cases investigated by the Public Accounts Committee? I have not heard of such charges being investigated or substantiated.

Mr. RODGERS.—The Government do not desire to seek shelter in this matter as much responsibility is theirs; but there was a demand, not only from returned soldiers, but from honorable members in this Chamber, that the work should be undertaken by a Commission. A Commission was appointed, and in it was vested the powers contained in section 5, which reads—

There shall be a Commissioner, who shall, subject to the directions of the Minister, be responsible for the execution of this Act.

The authority to purchase already-erected houses is embodied in sub-section 2 of section 5, which reads—

The Commissioner shall be a body corporate by the name of the War Service Homes Commissioner, and shall have perpetual succession and a common seal, and be capable of suing and being sued, and shall, subject to this Act, have power to acquire, purchase, sell, lease, and hold lands, tenements, hereditaments, goods, chattels, and any other property for the purposes of this Act.

Therefore, of course, subject to the financial provisions, the late Commissioner had power to acquire already-erected houses; but he did not have authority to exceed his financial limit under the provision fixed by Parliament. It was not until a month or so after I had temporarily taken over the work of the Department that I found that money allotted for the construction of new

homes and the purchase of material had been used in the purchase of already-erected houses. I immediately gave instructions that no more already-erected houses were to be purchased, except in special circumstances, because the money then available was required to build new homes, which would be a better asset to the purchasers. Some of the already-erected houses had been constructed for years.

Mr. HECTOR LAMOND.—A man would be able to marry and rear his family before a house would be ready.

Mr. RODGERS.—I do not think that is a fair statement.

Mr. HECTOR LAMOND.—I know of an instance in which a returned soldier applied for a house three months before he was married, and although he now has a child nine months old, he is still without a dwelling.

Mr. RODGERS.—I am prepared to admit that there are individual cases of hardship, many of which have been brought under my notice; but I have endeavoured, in the majority of cases, to render relief. Honorable members, of course, understand that the Commission can only proceed according to the money available.

Mr. HECTOR LAMOND.—And instead of purchasing homes that are already available, the Commission has been making contracts for the supply of goods for some years hence, and many of the ex-soldiers will have to wait that time before they are accommodated.

Mr. RODGERS.—I do not propose at this juncture to enter into all the details; but, in my judgment, the late Commissioner expended money that should have been devoted to the building of new homes in the purchase of already-erected dwellings. The acquisition of timber areas and the entering into large contracts for supplies of material has resulted in me, together with my Committees, being snowed under with accumulating contracts, applications to build, and other commitments, although we have only a limited amount available for the purpose. In my opinion, there has been a gross over-estimate by the ex-Commissioner, first of all, in the programme of providing homes.

Mr. MCGRATH.—Is the Minister condemning the action of the Minister for Repatriation (Senator E. D. Millen)?

Mr. RODGERS.—I am putting the case for the Government, whose actions have been criticised. I have not endeavoured to reply to the criticisms in the press; but I crave the indulgence of the Committee to put the case for the Government at this juncture. Huge contracts have been let for the purchase of materials, and we have either to carry them out, reconstruct, or dishonour them. The Government will not dishonour them, but will carry them out, and receive the supplies which can be used. We shall have to reconstruct some contracts where supplies have been obtained far in excess of the Commission's requirements. We cannot sell the materials in the ordinary way; for the Government do not desire to become a retailer of materials for the construction of homes. We undertake the building of War Service Homes without any idea of outside work, and we do not wish, if we can avoid it, to set up selling agencies for surplus materials. This state of affairs has led the Government to announce a complete alteration of policy. We shall proceed no further ourselves as builders of homes. The Government have had an experience which has led us to believe that there is no further necessity for us to continue as master builders—to believe that there is sufficient private organization in the Commonwealth, plus the organizations of the States, to build all the homes required.

Mr. MAXWELL.—Have you any idea how many homes have yet to be constructed?

Mr. RODGERS.—I shall come to that matter.

Mr. PARKER MOLONEY.—What is the policy of the Government in regard to homes already built?

Mr. RODGERS.—I cannot answer questions at this stage, and the honorable member must put it to me later. The Government, therefore, propose that the building of homes shall proceed, but that all in the future shall be built under contract, preferably after public tenders are called. Under the Act there is put on the Commissioner a definite limitation of expenditure upon each house, which he cannot exceed. In my judgment, building under the day-labour system has resulted in an excess cost in the case of approximately 1,400 houses, and at no stage of the work could

the Deputy Commissioners and their staffs say what a house would cost until completed. We are under the obligation to deliver a completed house at a fixed limit, and under day labour we cannot say whether the work can be carried out within that limit. I am convinced that out of a total of 5,000 houses, the building of 1,400 has resulted in an expenditure in excess of the statutory provision, chiefly through the day-labour system, and the Government have decided that they will know, before it lets a contract, the amount that will have to be paid for a completed house. That is the only way in which the soldier can know what his home will cost. We propose to acquire land, and sell blocks to soldiers at cost price, and then to let contracts for the building.

A suggestion was made that the States should undertake the building by means of the State organizations. The Government are alive to the position, and no longer desire to be a separate organization in competition with the States. In pursuance of that policy, I, in February last, concluded an arrangement with the South Australian Government under which they should undertake the provision of soldiers' homes, the Commonwealth providing the money at 5 per cent., payable half-yearly, and yielding to us monthly re-payments, and the State Government taking over the whole business of collection, supervision, construction, and insurance. There is no doubt that the State Government will be just as solicitous as any other body would be, or even more so, for the welfare of the soldiers within its borders. That particular State has experienced organizations of the kind, which have been at work for years, whereas the Commonwealth Government is but one central body; and in my judgment the Commonwealth organization, no matter how carefully and skilfully administered, is not that which should carry out the programme for the whole of Australia.

Mr. WEST.—The Government can carry out the building of homes just the same as anybody else can!

Mr. RODGERS.—Probably the honorable member is right—he must be right sometimes. As to present conditions in the War Service Homes administration, I admit frankly that there are some phases of

it that one cannot altogether be proud of—some phases that call for criticism. We shall take all the criticism which is honestly due to us, but I do not wish the opinion to become broadcast that, because there have been some deficiencies at Cessnock or Goulburn, therefore no soldier has a decent home.

Mr. CHARLTON.—Day labour is the only thing that has saved your Department—it has been the saving grace!

Mr. RODGERS.—The honorable member, as one of the Public Accounts Committee, has given a lot of attention to this question. I point out to him that on the opening day of the homes, the Minister was furnished by the Commissioner with figures which conveyed, not only to that gentleman but to the public, the soldiers, and the soldiers' representatives, that the cost would range from £690 to £730 under the day-labour system. Both the Minister and the members of the public who accompanied him, recognised the fact that the houses that were then opened were well built, and represented handsome properties; but when the soldiers who occupied them received the complete cost notices months afterwards they found that they had cost close on £835. Under the day-labour system, as I have said, we cannot know what the completed house is going to cost; and the system breaks down when there is a rigid limit fixed in the Act.

Mr. FRANCIS.—If a soldier purchases a house for over £800, is he to have the extra money returned to him?

Mr. RODGERS.—I do not propose to answer that question, because it is not put in such a form that I can reasonably do so. I have made my statement, to which I adhere, and I cannot go further. At this stage I wish to say that, in constructing these homes in excess of the fixed cost, no matter what the difficulties may have been, the Commissioner ran counter to the explicit terms of the Act. Honorable members know that the Act contains a definite prohibition against the erection of any house at a completed cost, including land, of more than £800. I am conscious of the difficulties, but I say, again, that it is faulty administration when a Commissioner, with the Act in front of him, continues to build houses at a cost for which he has no legal warrant. It is the intention of the Government to carry on, and close up present commitments—to

complete the houses in course of construction—and when that is done, to revert to the definite contract system, under which we and the soldiers shall know exactly what each house is going to cost. We shall, where possible, make arrangements with State Governments which have building organizations, and are in negotiation to that end. I have already concluded an arrangement with the South Australian Government, and negotiations are in progress with the Governments of Western Australia and Tasmania. In the meantime the principle of building by contract after public tender will be adopted. [*Further extension of time granted.*] I am sorry to have taken up so much time, but honorable members will recognise that there is a wealth of detail in this matter. The Government do not propose to appoint a War Service Homes Commissioner to carry out future policy. They consider that within two years operations to which they are committed will have ceased, and they can reasonably expect to have entered into satisfactory arrangements for future building. They propose to appoint in the meantime a Director-General to complete the work in hand, and clean up present undertakings. There will be a clean cut line of policy adopted as from the first of this year, except as regards houses in course of construction. The Director-General will be intrusted with the work of cleaning up work in hand, reconstructing contracts, and carrying out such re-organization of the Department as is necessary. In this regard the advice of the Advisory Committee is being followed in the main. The Government consider that the Committee has a sound grasp of the internal conditions of the Department and the steps necessary to remedy existing defects.

Mr. RICHARD FOSTER.—The Director-General will be in the place of the ex-Commissioner?

Mr. RODGERS.—Yes. He will be supported by Managers in each State until the work is completed. It is hoped that a sum of £4,000,000 will be available for the present year.

Mr. CHARLTON.—For the whole year?

Mr. RODGERS.—Yes.

Mr. HECTOR LAMOND.—That will not be enough.

Mr. RODGERS.—I share the honorable member's opinion. My own desire

is that more money should be provided. I suppose that that would be the desire of any Minister charged with the carrying out of such a programme.

Mr. CHARLTON.—The Department is already committed to nearly that amount.

Mr. RODGERS.—That is not so. The Treasurer is, after all, the person who determines these matters, and he is of opinion that he cannot reasonably expect to raise a loan in excess of £11,000,000 for soldier requirements during the present financial year. Subject to the approval of Parliament, and to the successful flotation of the loan, he proposes to set aside £4,000,000 of that amount to provide War Service Homes. I am hopeful that a further sum may be secured in the shape of repayments. In this connexion, I might be allowed to point out to present soldier occupants who have homes in good positions that the punctual performance by them of their obligations will enable their comrades who are not yet settled to secure homes more quickly.

With regard to the Queensland timber areas which have been referred to, the whole of the timber on them is not likely to be required by the War Service Homes Department, and the Government will take the earliest and most favorable opportunity to carry out a satisfactory realization, if not of the whole, then of such of those timber areas as are not required for the purposes of the Department.

Some alterations of the Act will be necessary. I am personally not prepared to recommend an increase of the present statutory limit. The Government desire by every means possible to reduce the completed cost of homes to the soldiers. They recognise that as there is a general downward tendency in all standards, unless there is some great counteracting influence, house values must also recede, and their aim and object will be through private contractors or State organizations to provide a standard asset that can be maintained with fair safety by the soldier throughout a long period of years. This we hope to be able to do while charging the soldier cost price, as against the ordinary civilian, who has to pay for his building its cost, plus a profit probably upon both his land and his house.

The Government recognise the abnormal conditions of the past, and pro-

pose to give the most favorable consideration to the question of the re-adjustment of excess costs where they can be proved to have been incurred in excess of the contract arrangement, and where there has been a complete departure from the undertaking given to the soldier.

I do not think that I can reasonably ask the Committee to bear with me any longer. I have endeavoured to outline the operations of the past and proposals for the future in connexion with this rather troublesome Department.

Mr. MAXWELL.—That is putting it very mildly.

Mr. RODGERS.—It has not been a bed of roses for some time past. I recognise the very valuable assistance given to me by the Public Accounts Committee, by the Advisory Board, by the Stinson Tribunal, and by many of the soldier organizations, who have taken a big broad view, and have held that their comrades have been getting sound substantial houses. One soldier architect put it in this way in his report:

I am certain that soldier applicants are getting thoroughly good homes.

Mr. WEST.—He was referring to homes constructed by day labour.

Mr. RODGERS.—In concluding his report, this gentleman says—

However, "Honour where honour is due," and, even if their institution should never have been inaugurated, the present War Service Homes Department will give the Digger a fine home at a minimum cost.

I want to say, as the honorable member for East Sydney (Mr. West) has interjected, that the soldier architect from whose report I have quoted believes in the day-labour system. It is my judgment, broadly, that the soldier has been given, on the whole, a good substantial home, and when matters are finally adjusted I think it will be found that he has been given it at a reasonable cost. If present difficulties with regard to unemployment are surmounted, I feel confident that the soldiers will make good in their homes, just as they made good on the fields of battle.

Mr. CHARLTON (Hunter) [10.40].—We have been looking forward for some weeks to an explanation by the Assistant Minister for Repatriation (Mr. Rodgers)

of the administration of the War Service Homes Department, and a statement by him as to what is intended to be done in the near future. The honorable gentleman, however, has devoted the greater part of his speech to a *résumé* of the operations undertaken under the Act, and has carefully refrained from condemning any one for the undoubted blunders that have been committed by the Department. It must be obvious to the Minister, as it is to every one else, that the administration of the War Service Homes Department has been very unsatisfactory. It is certainly a new undertaking, and probably one of the big mistakes made at its inception was that of appointing to responsible positions many men who had not the requisite qualifications. I am fully in accord with the policy of the Minister that returned soldiers should be employed wherever possible; but it is necessary to make sure that every man is competent to discharge the duties of the position to which he is appointed. Unless that is done, public money must be wasted. That, I think, has been one of the chief defects of the administration. We have had not only in the Central Office, but in some of the State branches, men who were not qualified to do the work allotted them, with the result that there has been a complete muddle. The Minister, instead of boldly facing the position and telling the Committee what he himself has found in this Department—instead of taking the Committee into his confidence and making a straight-out statement of the defects in administration which he must have discovered—has carefully avoided doing anything of the kind. We all have an idea of the work that has been accomplished by the Department, but what we have to consider is whether or not it has been carried out in the best interests of our returned soldiers and the community as a whole. That is the question which confronts us, and the answer is that the work has not been carried out in the best interests of our returned men and the country. To put the position briefly, the whole organization of the Department has been a muddle.

The Minister has told us that £6,000,000 was allotted for the building of homes during the last financial year,

Mr. Charlton.

but he neglected to explain why the whole of that amount was expended within the first few months of the financial year without the knowledge of some responsible authority. If a sum of £6,000,000 is made available for expenditure by a Department during any one year, the usual procedure is to spend that money at the rate of £500,000 a month; but it would appear that the War Service Homes Department expended this £6,000,000 at the rate of about £2,000,000 a month. The vouchers in respect of that expenditure had to pass through the hands of various officials, and had finally to be sent to the Treasury. Some one in authority, therefore, should have been able to point out to the Minister the way in which the money was being expended. Some one should have been able to point out to him or the Treasurer (Sir Joseph Cook) the exact position. Had that been done, the Minister could have applied the pruning knife, and have arranged for a more even distribution of the expenditure. Instead of that, it would seem that this vast expenditure was left in the hands of certain individuals who were not capable of carrying out the duties intrusted to them. If they had been, the Minister would have known what was the exact position from month to month. The ordinary transactions of Government Departments are such that the Ministerial head of the Department is able from month to month to learn exactly what is taking place. Every officer who is intrusted with the expenditure of public money is required to supply the head of his Department with particulars, and the vouchers must be certified to before they are sent on to the Treasurer. When that procedure is followed it is impossible for any one in authority not to know what is going on. In addition to this sum of £6,000,000, the money that was received during the year by way of repayments in respect of advances for War Service Homes was also available for expenditure. My information is that the Department was promised not only £6,000,000 for providing War Service Homes, but also £800,000 received by way of repayments.

Mr. RODGERS.—That was not in my time, and I was not informed of it.

Mr. CHARLTON.—That, at all events, is said to be the position. The total of £6,800,000 was expended by October or November last, although it was intended to carry the Department over the whole financial year. The Commonwealth was committed as far back as October last to payments for the purchase of homes by returned soldiers, and many of the claims in respect of those commitments have not yet been met. The money intended for such purposes has been expended in other directions. Can that be said to be reasonable or economical administration? Surely there is something more yet to be explained by the Minister. Why has he not taken the Committee into his confidence and explained everything regarding the expenditure of the £6,000,000 in the early part of the last financial year? It is useless for him to say that the money made available to his Department was expended much sooner than was anticipated. That does not relieve the honorable gentleman of his responsibilities. Many people have sold houses to the Commonwealth Government for the use of returned soldiers, and although those houses have been occupied for months by returned men, the vendors in numerous cases have not yet received payment.

We are told that in respect of the current financial year a sum of £4,000,000 is to be placed on the Estimates of the Department, or £2,000,000 less than was expended within the first six months of the last financial year. Thousands of soldiers are waiting—as the honorable member for Illawarra (Mr. Hector Lamond) has said, in some cases they have been waiting for twelve months—for homes. With this reduced vote, how are their needs to be met within a reasonable time? How long will this £4,000,000 last? How many homes will the Department be able to build during the year?

Mr. RODGERS.—How does the honorable member suggest that more money can be obtained than is reasonably available by loan?

Mr. CHARLTON.—I suggest that the operations of the War Service Homes Department are very much like those of a building society. It is a business proposition designed to provide returned soldiers with homes as soon as possible, and if the Department were properly administered it should be able to borrow

more money for the purpose. Just as a building society lends out money for building purposes, so this Department may make advances to soldiers for the building of homes, and the whole of the money so advanced is repayable. It is repaid by instalments. A building society has money coming in regularly from its paying contributors, and it lends that money out again. If we are to have only this limited sum placed at the disposal of the Department for the building of homes, how long will it be before the last of the applicants will be able to get a home for himself?

Mr. LISTER.—The provision of £4,000,000 means the erection of 5,000 houses this year.

Mr. CHARLTON.—Yes. Of what value is such a policy? It will not give satisfaction to the men. The £6,000,000 provided last year for the purpose was altogether inadequate, yet only two-thirds of that amount is to be available this year. If the Treasurer is going to float a loan for £15,000,000 for soldier purposes, why should not the amount be increased to £20,000,000, because, as I have shown, the money will merely be invested, and will show an immediate return. The sooner the Government get their organization to work to complete the scheme so much the better will it be for all concerned. It would be far better to keep the staff fully employed, and use up all the material as quickly as possible, so that the staff could be abolished altogether in the not-distant future. We do not want the scheme to be dragging on for years.

Mr. RODGERS.—The honorable gentleman must know that we are going to continue this work in subsequent years.

Mr. CHARLTON.—My complaint is, that the Department is going so slowly about the business that dissatisfaction will be bred among the returned men who are desirous to get houses in every part of the Commonwealth.

Mr. McWILLIAMS.—This is not an instalment job to be carried out over a period of years.

Mr. CHARLTON.—Of course it is not. It must be apparent to honorable members that there has been a complete change of front by the Government. Last year they declared they were going to

build homes at such a rate that they required an immense quantity of timber, But now we are told that, after having purchased the Queensland timber areas, they are going to sell them again.

Mr. RODGERS.—That is not the statement I made. I said, "such portion as would not be required for the Commissioner's purposes."

Mr. CHARLTON.—What areas are the Government going to sell? What is the use of the Minister making a statement like that and qualifying it? The Government might sell three-fourths or nine-tenths of the areas. Surely, if they have a policy in connexion with this matter, the Minister ought to be able to tell honorable members how much is going to be sold. If the Government were justified in purchasing the property at all they cannot be justified in selling it now, in view of the fact that so many homes are to be built.

Mr. RODGERS.—Does not the honorable member recognise that the conditions now are totally different, as far as material is concerned, from the conditions existing when the areas were purchased?

Mr. CHARLTON.—If a change in conditions has been brought about by a fall in the price of material, then we must assume that the areas were bought by the Government when timber was at its highest price. Was this fact taken into consideration at the time? Can the Government say they were justified in buying the areas then?

Mr. RODGERS.—The honorable member said yes.

Mr. CHARLTON.—And I say so now. I was not in Queensland at the time, and took no part in framing the report to which the Minister refers. We were informed that by purchasing the areas referred to, soldiers' homes could be built more cheaply. What justification, then, is there for selling some of the areas? Is it because the Commission is able now to get timber at a cheaper rate? We were told at the time of purchase that the timber merchants were not prepared to give a satisfactory supply to the War Service Homes Commissioner, and now, when the demand for soldiers' homes is very great, the Government are going to sell portion of the areas.

Mr. LAIRD SMITH.—When these timber areas were bought there was no Baltic pine or Californian red pine coming into the country.

Mr. CHARLTON.—We bought those areas chiefly for the hardwood, and now we are going to dispose of them. This is a very unsatisfactory piece of business from my point of view.

I am very disappointed with the future policy of the Government as outlined by the Minister. I know that my views will not meet with the approval of the majority of honorable members, but I say deliberately that of the houses I have inspected, those built by day labour stand out as infinitely superior to the houses built under contract; and if I were purchasing one to-morrow, I would be prepared to pay a good deal more for a dwelling built by day labour for a home. In regard to the cost, we have it in evidence from one of the Deputy Commissioners that when the Department invited tenders the prices were so high that they were obliged to build some of the houses by day labour, and saved about £200 on each building.

Mr. McWILLIAMS.—If a soldier arranges to have a house built for £750 and it costs £850, who ought to pay the difference?

Mr. CHARLTON.—If it can be shown beyond the shadow of a doubt that the Department is responsible for the added cost, it should not be shouldered on to the soldier. I do not want to say anything about reports that are pending, but so far as the Newcastle district is concerned, I know that members of the Committee were agreeably surprised at the condition of the houses built by day labour on the Merewether Estate. The man who was in charge of the work, Mr. Vial, of Newcastle, rendered very good service to the Commonwealth Government. Although the report states that some of the War Service Homes are jerry-built, it is not suggested that all the houses are faulty in construction. As a matter of fact, hundreds are well and faithfully built. With respect to Roe's estate, in the Newcastle district, I have known the locality for many years, and I was surprised to learn that the Commission had bought it. It is centrally situated in a suburb carrying a large population, but there has been good reason why that land has remained unbuilt upon during all the years of progress around it. Nobody would take it; but the Commission took it, and soldiers' homes were constructed there. There has been a good deal of rain in the locality

this winter. I have been told by a carrier that he was unable to get his van with a soldier's effects within 200 yards of the home in which the furniture was to be put, and that on another occasion when he was delivering coal he became so badly bogged that extra horses had to be requisitioned to pull his vehicle out.

Mr. RODGERS.—That area was bought on the recommendation and valuation of an officer of the War Service Homes Branch, indorsed by a highly-placed officer of another Commonwealth Department. I refer to the Commonwealth Surveyor-General.

Mr. CHARLTON.—This low-lying area was not drained. I doubt if it can be properly drained. The Commission was informed by the officer recommending its purchase that the land was well situated, healthy, and quite suitable for soldier settlement. The officer who recommended it was Mr. Earle.

Mr. RODGERS.—The only consolation is that his services have since been dispensed with.

Mr. CHARLTON.—Why should not the officers concerned make their initial inquiries from people who know something first-hand about the locality? The very first person who should be approached is the clerk of the municipality or shire. His views and advice should be sought before anything is done. No one can know better than that official the real nature and quality of the land and neighbourhood. Had such procedure been adopted the Commission would never have bought Roe's estate. The Waratah town clerk told the Public Accounts Committee that this was the worst land in the municipality, that it was entirely unsuitable for soldiers' settlement, and that he was doubtful if it could be drained because it was so low-lying. The officers of the Department now say that it can be drained, and efforts are being made in the direction of filling in, to a depth of about 8 inches, with ashes. The effect, however, has been to dam the water against the walls of the houses. Yet returned men are asked to pay £700 or £800 for these homes. They are expected to take their wives there and rear families in such circumstances. It is all very well for the Minister to say that some of the officers responsible for recommendations of this kind have since been dismissed. There are others who still remain. Any official who approves of a pro-

position such as this is guilty of a great wrong to our soldiers and the country.

Mr. RODGERS.—Hear hear! And of having deliberately misled the Minister.

Mr. MAXWELL.—Was there any protest from residents in the locality before the purchase was made?

Mr. CHARLTON.—When the purchase became known it was too late to protest. It is quite possible that these homes will be thrown back upon the Government. I would blame no soldier for refusing to bring up his family in such unhealthy and altogether unsuitable surroundings. Those places will be left on the hands of the Government, and will have to be sold at a sacrifice. Money will be lost upon them. Who is to pay?

I desire to refer to another purchase, namely, that of land on the King's-road. This also is low-lying, and is about the coldest spot in the district, but it is capable of being drained. More than forty houses have been built there, and others are to follow. There is nothing wrong with the building of these homes; but the site is by no means a good one. The most important fact, however, is that the land was bought as an unencumbered estate, and that afterwards it was found that a coal-mining company held the right to extract mineral from underneath those houses.

Mr. HECTOR LAMOND.—And are the officers who made this recommendation still in the Department?

Mr. RODGERS.—There is one officer of whom I am aware who is in the service of the Commonwealth, but in another Department. He is a very high and responsible official. It was he who recommended both purchases. The ordinary practice was followed. The Minister did not authorize the purchase before he had obtained either two or three supporting valuations and recommendations in each instance.

Mr. CHARLTON.—When the agreement had been practically entered into for the purchase of the land—just before finalization, in fact—the officer indicated found, according to the evidence which he gave to the Public Accounts Committee, that the land was not unencumbered. He said, in effect, "Had I known that the land was encumbered I would not have made my recommendation. Immediately after I got to know the facts I asked the Deputy Commissioner in Sydney not to

finalize the transaction; but, to my surprise, I found that the whole proposition had been completed." I say that in justice to the officer concerned. The land belonged to the old Waratah Coal Mining Company, which sold the whole of its surface rights to Messrs. Lang, Wood, and Company, auctioneers and estate agents, of Newcastle, but reserved to the Caledonian Coal Mining Company the right to extract mineral from any part of the estate. In the area which the Government bought the coal was underlying. When it was found that a mistake had been made, advantage was taken of the Compulsory Acquisition of Land Act, and the purchase was completed. That coal cannot now be worked to the injury of the homes built upon the land; but the Caledonian Company has lodged a claim for £10,000 royalty, and there is no doubt that the Government will have to pay something. Who will actually pay? Is the cost to be put on to this group of soldiers' houses. The Minister has stated that, under the Act, every charge upon the land has to be paid by those who have acquired homes upon it. Consequently, if a royalty has to be paid to the coal-mining company in question, the soldiers will have to pay it. Is the Minister going to give us any satisfaction in regard to this matter?

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order! The honorable member's time has expired.

Mr. GREGORY (Dampier) [11.11].—I would have preferred the statement by the Assistant Minister for Repatriation (Mr. Rodgers) to have been made quite separately from a Supply Bill, as it appears a definite promise was made. I understand that the honorable gentleman presented to the Deputy Leader of the Opposition to-night a copy of the statement which he made here. I claim that a similar privilege should have been accorded to the Acting Leader of the Country party, and I hope that, in future, when any important statement is to be made, a copy of it will be supplied to our party.

Mr. RODGERS.—I must apologize to the honorable member and his party for the omission. It was a complete oversight on my part, and I regret it exceedingly.

Mr. GREGORY.—I am sorry that the honorable gentleman's statement was not made quite apart from a Supply Bill, so

that the discussion upon it might have been adjourned. It is absolutely impossible for us to arrive at a just decision upon the work of the War Service Homes Department until we have in our possession the final report of the Public Accounts Committee in respect of their investigation of that matter. The Country party has no intention whatever of attempting to debate the work of that Department, because if we did so, without passing any resolution to the contrary, it would be assumed that we had approved not only the statement of the Assistant Minister, but also the work of the Department generally. Only when we get the final report of the Public Accounts Committee will it be possible for us to go fully into the question and decide what should be done to insure the best service being rendered to our returned soldiers.

Mr. RODGERS.—The difficulty is that the financial year has started, and that our new programme must be proceeded with.

Mr. GREGORY.—I quite recognise that. I merely desired to convey that we would have preferred the Assistant Minister's statement to have been made apart from a Supply Bill, because we do not wish to give a formal approval to it, and that would seem to follow naturally from the granting of Supply. I assume that the Assistant Minister intends to bring down a Bill for the amendment of the War Service Homes Act, and I would like to know when the measure will be submitted for our consideration.

Mr. RODGERS.—Such a Bill will be necessary, and will be submitted at the very earliest date after the adjournment upon Friday next.

Mr. GREGORY.—Then we shall be afforded an opportunity of dealing with the whole question exhaustively.

Mr. RODGERS.—We have had four progress reports from the Public Accounts Committee.

Mr. GREGORY.—But I should like to see its final report. I have no intention of delaying the granting of Supply. I merely wish to emphasize the necessity which exists for economy in our public administration. I hope that the Government will not sanction the creation of any new Departments. I understand that it is their intention to make special arrangements for the reporting of the proceedings

of the Arbitration Court and other tribunals. If anything of the sort means increased expenditure, I hope that, until we are able to deal with the Estimates generally, no new appointments will be made which can be avoided.

Mr. RODGERS.—The new proposals in my Department will mean a reduction of expenditure.

Mr. GREGORY.—I am aware of that. I am speaking of the Estimates generally. The most rigid economy should be observed until we are afforded an opportunity of examining the Estimates.

When submitting his Budget statement it will be the duty of the Treasurer to let us know what is the policy of the Government in regard to the Mandated Territories. At the present time some people may be able to obtain advantages which the general public cannot obtain. The sooner, therefore, that we have something settled in regard to these new Possessions, and Ordinances are prepared and approved by this Parliament, the better it will be for all concerned. When the Budget statement is delivered I hope that any Ordinances of that kind will be brought before this Chamber.

Mr. BAMFORD (Herbert) [11.19].—I feel it my duty to say a few words in reply to the statement made by the Assistant Minister for Repatriation (Mr. Rodgers) in regard to Lieut.-Colonel Walker. The greater portion of the honorable gentleman's speech consisted of nothing but praise for what Lieut.-Colonel Walker had done.

Mr. RODGERS.—I candidly expressed the difficulties which he met, but I did not eulogize him.

Mr. BAMFORD.—The only reason assigned by the honorable gentleman for Lieut.-Colonel Walker's dismissal from office was that, at the time of his appointment, he was an uncertificated insolvent. If the Minister for Repatriation (Senator E. D. Millen) did not know that, he should have known it. I have a telegram here—

Mr. JOWETT.—Can the honorable member explain why the telegram from Mr. Cupples was never seen by the Minister?

Mr. BAMFORD.—How can I explain? The Minister has access to the files at all times, and he cannot explain.

Mr. JOWETT.—We should have some information in regard to the matter.

Mr. BAMFORD.—No matter what the Minister may say about Lieut.-Colonel Walker, that gentleman under the War Service Homes Act had power to do practically anything he pleased. Sub-section 2 of section 5 of the Act says—

The Commissioner shall be a body corporate by the name of the War Service Homes Commissioner, and shall have perpetual succession and a common seal, and be capable of suing and being sued, and shall, subject to this Act, have power to acquire, purchase, sell, lease, and hold lands, tenements, hereditaments, goods, chattels, and any other property for the purposes of this Act.

That provision gives the Commissioner absolute power to do anything whatever; and, when speaking on this matter before, I told the Minister and the Treasurer that it would be necessary to pass a validating Act. They said that it would not be necessary, but it has been proved necessary.

Mr. RODGERS.—Sub-section 1 of section 5 governs sub-section 2.

Mr. BAMFORD.—Sub-section 1 says—

There shall be a Commissioner, who shall, subject to the directions of the Minister, be responsible for the execution of this Act.

Then sub-section 2 gives the Commissioner the powers which I have read. Section 7 says—

A person who is an uncertificated bankrupt or insolvent shall be incapable of being appointed Commissioner.

It was upon that provision that the Minister based his dismissal of Lieut.-Colonel Walker. I join with the honorable member for Dampier (Mr. Gregory) in saying that it was not fair to the Committee to make a statement such as the Minister has made to-night when we are dealing with Supply. The Minister should have made his statement on a motion for the printing of a paper, so that we could have an opportunity of reading the report of his speech and replying to his statements.

Mr. RODGERS.—I was completely in the hands of the Committee, and no objection was taken to the making of my statement.

Mr. BAMFORD.—It was arranged between you and the Treasurer that the statement should be made in Committee of Supply. I was in the chair at the time, and no one protested. It would have been more convenient, however, had the Minister followed the course that I suggest. I appealed to him, and to Senator E. D. Millen, to rehabilitate Lieut.-Colonel Walker in the eyes of the world by re-appointing him.

Dr. MALONEY.—How can the Minister rehabilitate a man who has sworn, as Lieut.-Colonel Walker did? Remember what he said about McKenzie, a man whose boot laces he is not fit to tie.

Mr. BAMFORD.—The honorable member is speaking about another matter, which I leave him to deal with. I do not know anything about McKenzie; but I know that Lieut.-Colonel Walker is as reputable a man as you will find in Australia.

Dr. MALONEY.—He is the honorable member's personal friend, and therefore must be right.

Mr. BAMFORD.—In speaking on this subject, I am not moved by feelings of personal friendship; I am dealing with the case on its merits, and I think I have the sympathy of the Committee. I appeal to the Minister to reinstate Lieut.-Colonel Walker for twenty-four hours. That gentleman has given me his assurance that on being reinstated and rehabilitated in the eyes of the public he will tender his resignation in writing, so that it may be accepted at once. Had the Minister dealt generously, fairly, and justly with him in the circumstances, he would not have dismissed him. He would have allowed him to get his certificate, his insolvency having been annulled, and would have reinstated him. I have seen documents showing the amount of money spent by Lieut.-Colonel Walker. I have seen the price-lists of timber merchants, and I have seen the bills for the timber he purchased from them, and these show a saving of fully 50 per cent. In all the circumstances, remembering the difficulties of the position when he took office, he having to organize the Department and to get material and labour, he did very well indeed.

Mr. RODGERS.—I frankly admitted his difficulties.

Mr. BAMFORD.—And, inferentially, you admitted that he overcame them.

Mr. RODGERS.—No; on the contrary, I pointed out that 1,400 of the houses that he had built cost more than the amount allowed by the Act.

Mr. BAMFORD.—Now we have a definite statement. The Minister says that he did something contrary to the Act. This is the first time that that charge has been made.

Mr. RODGERS.—The Act forbids the building of any house by the Commissioner or his deputies at more than a certain cost. No man may disobey an Act of Parliament.

Mr. BAMFORD.—The Minister says that Lieut.-Colonel Walker disregarded the provisions of the Act. That is a definite charge against him. Hitherto we have heard only of his insolvency. I could show the temptations to which he was submitted, and how he could have made money. But there is no charge against him, nor is he suspected of having defrauded the Commonwealth in any way, or of having taken a bribe, or of having done anything that could not bear inspection by the whole world. No charge of that sort is laid at his door. There are only the two things I have mentioned. The fresh admission made by the Minister to-night is made for the first time. I wanted to show that Lieut.-Colonel Walker had power, if he had chosen to do it, to feather his nest, so to speak, in a very liberal way indeed. He tells me that there is on the file a letter which he wrote to Senator Millen, in which he stated that a leading Sydney architect, whose name is given in the letter, asked him for a contract for 10,000 houses, and said to Lieut.-Colonel Walker, "There will be £5 a house for you." That was a bribe of £50,000 offered to him by this particular individual. Is that letter on the file or not?

Mr. RODGERS.—I have never seen it. This is the first I have heard of it.

Mr. BAMFORD.—I said to him, "Why did you not lay a trap for that man?"

Mr. RYAN.—That man ought to be prosecuted at once.

Dr. MALONEY.—Is that Kirkpatrick?

Mr. BAMFORD.—The difficulty is that it is one man's word against another's.

Mr. RYAN.—I do not think that any man's name should be mentioned in connexion with such a thing unless there is some foundation for it.

Mr. BAMFORD.—The name is in the letter, which Lieut.-Colonel Walker told me that he wrote to Senator Millen immediately the offer was made to him.

Mr. RODGERS.—I am informed by the chief administrative officer of the Department that there is no such letter on the files of the Department.

Mr. BAMFORD.—Letters have a habit of disappearing. Some time ago I sent a wire to Lieut.-Colonel Walker, and this is the reply wire which I received from him—

Thanks your wire. Three Millen's staff willing prove on oath he—

meaning Senator Millen—

seen wire from Cupples before my appointment.

That was the wire from Cupples, in which he said to Senator Millen, in reply to Senator Millen's request for a recommendation in regard to Lieut.-Colonel Walker, that Lieut.-Colonel Walker had been declared insolvent in 1915. I shall avail myself of the second-reading stage to deal with this matter further.

Progress reported.

ADJOURNMENT.

ARRANGEMENT OF BUSINESS.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.34].—I move—

That the House do now adjourn.

We had contemplated going on to-night so as to be able to finish up our business this week; but I am happy to be able to state that, by an arrangement which will obviate the necessity of punishing ourselves by an all-night sitting, it has been agreed by the leaders of the two parties that the Supply Bill shall be passed by 5 o'clock to-morrow, and that then we shall resume the debate on War Service Homes for the remainder of the evening.

Question resolved in the affirmative.

House adjourned at 11.35 p.m.

Senate.

Thursday, 21 July, 1921.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

PAPERS.

The following papers were presented:—
Return relating to appointments made under the Navigation Act.

War Service Homes Act.—Land acquired at East Maitland, New South Wales.

DEFENCE BILL.

MILITARY OFFENCES AND CIVIL LAW.

Senator PEARCE (Western Australia—Minister for Defence) [3.2].—I ask permission to read an opinion in connexion with the question raised by Senator Elliott when the Defence Bill was recently under consideration in this Chamber. [Leave granted.] When the Bill was under consideration here, Senator Elliott raised a question as to the effect of one of the clauses, and desired that I should obtain the opinion of the Attorney-General upon it. I referred the matter to the Attorney-General's Department, and as I think it will be of interest to honorable senators, I now read the opinion supplied by the Solicitor-General:—

The Acting Secretary to the representatives of the Government in the Senate has forwarded for advice the following memorandum:—

During the debate in Committee of the Senate, in connexion with clause 35 of the Defence Bill 1921, a question was raised by Senator Elliott as to whether this clause, if given effect to, would override the ordinary criminal law.

Clause 35 of the Defence Bill is as follows:—

35. After section 84 of the principal Act the following sections are inserted:—

84A. Any person who, with intent to hinder or prevent military operations, damages any railway tunnel, bridge, viaduct, culvert, road, or path shall be guilty of an offence.

Penalty: £500 or imprisonment for three years.

84B.

The following is the relevant extract from Hansard, *vide* page 8232:—

"Senator ELLIOTT.—This is such a serious matter that it may result in persons guilty of a very serious offence escaping with the comparatively light punishment of three

years' imprisonment. I suggest that the proposed section might be referred to the Attorney-General for an opinion as to whether, by making this an offence under the Defence Act, we would not be overriding the civil law of the States.

Senator PEARCE.—I shall have the point raised by the honorable senator looked into."

While the clause was before the Committee I expressed to the Minister in charge of the Bill my opinion that the clause would not have the effect apprehended by Senator Elliott.

The Solicitor-General proceeds to add—

In my opinion the proposed enactment will not affect the right, in an appropriate case, to take proceedings under the law of a State.

R. R. GARRAN,
Solicitor-General.
20/7/1921.

NAVIGATION DEPARTMENT.

APPOINTMENTS.

Senator DUNCAN.—I ask the Vice-President of the Executive Council if he is yet in a position to answer the questions I previously put to him in connexion with appointments in the Navigation Department?

Senator RUSSELL.—On the 14th July, Senator Duncan asked the Minister representing the Minister for Trade and Customs the following questions:—

1. What appointments have been made under the Navigation Act?

2. What are the qualifications (certificates held, with dates of issue) and practical experience of the work entailed of the appointee to each position?

3. What are the salaries paid?

I am now in a position to give the information sought for which has been supplied to me in the following terms:—

Position.—Director of Navigation (J. K. Davis).

Certificate.—Extra Master's, Foreign-going, issued August, 1908.

Experience.—1914-16—in command Australian transports *Boonah*, *Barunga*, *Boorara*; 1916-17—representative of Commonwealth Shipping Board at Port Pirie, South Australia; resigned to volunteer for active service; 1918—appointed Inspector of Transports, United Kingdom, in which capacity was responsible for the equipment and fitting in England of all Australian transports.

Salary.—£800 per annum.

Position.—Deputy Director of Navigation, New South Wales (G. D. Williams).

Certificate.—Master's Certificate, Foreign-going, issued 15th March, 1906.

Experience.—Attached for some years to State Public Service of Victoria; served five years with Commonwealth Naval Forces, awarded D.S.O.

Salary.—£654 per annum.

Position.—Deputy Director of Navigation, Queensland (N. G. Roskrug).

Certificate.—Extra Master's, Foreign-going, issued 3rd January, 1916.

Experience.—At outbreak of war held position of Chief Officer; volunteered and served four and a half years with Royal Australian Navy; for eighteen months prior to appointment to present position acted as Naval Transport Officer, Sydney.

Salary.—£606 per annum.

Positions.—Deputy Director of Navigation—Victoria (L. J. Bolger), South Australia (J. Henry), Western Australia (J. J. Airey).

Certificates.—These officers all hold Master's Certificates, Foreign-going; numbers and date of issue not on record.

Experience.—For periods of over six years prior to present appointment acted as District Officers, Commonwealth Lighthouse Service, in States of Victoria, South Australia, and Western Australia respectively.

Salary.—£654 per annum.

Position.—Deputy Director of Navigation, Tasmania (F. W. Hood).

Certificates.—Extra Master's, Foreign-going, issued 1895; Marine Surveyor's Certificate, New South Wales, issued 1905.

Experience.—For seven years prior to present appointment was District Officer, Commonwealth Lighthouse Service, Queensland.

Salary.—£516 per annum.

Position.—Principal Examiner of Masters and Mates (W. MacGowan).

Certificate.—Extra Master's, issued 1901.

Experience.—Was for six years principal of a navigation school in Melbourne and Adelaide.

Salary.—£516 per annum.

Position.—Engineer-Surveyor in Chief and Examiner of Engineers (J. Fadden).

Certificates.—Extra 1st Class Engineer's Certificate, issued 21st April, 1906; Marine Engineer-Surveyor's Certificate, issued 26th November, 1914.

Experience.—For five and half years was Senior Engineer-Surveyor and Examiner of Engineers, Marine Board of Victoria.

Salary.—£654 per annum.

Position.—Chief Nautical Surveyor (L. R. Sundercombe).

Certificates.—Extra Master's, issued 1906; and Pilotage Exemption Certificates for nineteen Australian ports.

Experience.—Has had periodic dockyard experience extending over thirteen years; was for thirteen years in the service of the Adelaide Steamship Company, during five years of which acted as Master; Chief Officer of Australia's first Hospital ship, *Grantala*.

Salary.—£606 per annum.

Position.—Chief Overseer of Seamen (A. H. D. Gransbury).

Certificate.—Master's, issued 13th April, 1917.

Experiene.—1915-17—In service of Western Australian Government; commanded four-masted barque *Carrabin* until sunk by enemy action in United Kingdom waters, October, 1917; commanded several H.M. ships, mine-sweeping and patrolling North Sea; February, 1920—invalided as physically unfit for further active service.

Salary—£516 per annum.

CUSTOMS TARIFF BILL.

DUTIES TO BE COLLECTED.

Senator PRATTEN.—I ask the Leader of the Senate, in view of the proposed termination of the session so far as the House of Representatives is concerned, and the continuation of the sittings of the Senate to deal with the Tariff, what will be the position, so far as the collection of Customs duties is concerned, in respect to any requests that may be made by the Senate to another place for an increase or a reduction of the duties now set out in the schedule to the Customs Tariff Bill? Will the higher duties be collected, and a refund be made if our requests for lower duties are accepted, or will increased duties be charged immediately should the Senate request the increase of those duties?

Senator E. D. MILLEN.—The position is very plain, and is indicated by the Constitution itself. No alteration of the schedule to the Customs Tariff Bill which the Senate may request can be operative until it is accepted by the House of Representatives. We do not alter the duties set out in the schedule. They will continue to be collected, as they have been for some time. Any action we take here is in the nature of a request to the other House to make alterations, and until the other House sees fit to accede to our requests the duties set out in the schedule to the Bill will continue to be collected.

WAR SERVICE HOMES.

DISMISSAL OF CAPTAIN TAIT.

Senator ELLIOTT asked the Minister for Repatriation, *upon notice*—

1. What are the reasons for the dismissal of Captain J. Tait, Deputy Commissioner of War Service Homes in Victoria?

2. Is it a fact that the Acting Deputy Commissioner of War Service Homes in Victoria was a Citizen Force officer before the outbreak of the recent war, and on or after the outbreak of that war he resigned his commission?

3. If not, is he a returned soldier?

4. If not, what are his qualifications for the position which led to his being preferred to a returned soldier?

Senator E. D. MILLEN.—The answers are:—

1. The reasons are—

(a) Preferential treatment in the allotment to himself of two blocks of land on the Highfield Estate, Camberwell, purchased for subdivision into single blocks for soldiers' homes. Similar preferential treatment in respect to the allotment of two blocks of land on the same estate in the case of Mr. W. J. Hamilton, late Senior Inspector of Works.

(b) The authorization by Captain Tait of the erection for himself of a War Service Home, the estimated cost of which, i.e., £1,150, was considerably in excess of the statutory limit in the Act, without having paid such excess in accordance with the practice of the Department, and as required by all applicants prior to the commencement of building operations.

(c) The purchase by Captain Tait of land at Ringwood for War Service Homes from his father-in-law (Mr. F. Rawlinson) without having followed the invariable practice in all other cases of first obtaining reports and valuations as to the soundness and desirability of the purchase.

(d) The purchase by Captain Tait of land at Heidelberg for War Service Homes from a relative by marriage (Mr. J. McLeod) without having followed the invariable practice in all other cases of first obtaining reports and valuations as to the soundness and desirability of the purchase.

(e) The commencement of the erection of a War Service Home for Mr. W. J. Hamilton, late Senior Inspector of Works, the estimated cost of which, i.e., £1,250, was considerably in excess of the statutory limit in the Act, without having obtained the payment of such excess in accordance with the practice of the Department, and as required of all applicants prior to the commencement of building operations, and the incurring of considerable expenditure in the foundations without any corresponding debits of this officer in the books of the Department.

2. I have no knowledge of this officer's record in the Citizen Forces, and he is at present out of the State.

3. No.

4. This officer was a member of the State Public Service, and holds the position of Director of Land at Central Administration. On 25th June, 1921, he was transferred to the Victorian Branch as Acting Deputy Commissioner pending the appointment of a Deputy Commissioner, and ceased in that position on the 20th July, 1921.

WASHINGTON DISARMAMENT CONFERENCE.

REPRESENTATION OF AUSTRALIA.

Senator BAKHAP asked the Minister representing the Acting Prime Minister, upon notice—

If the United States of America does not accord separate representation to the different Dominions of the British Empire at the Conference or Conferences which President Harding has invited the nations to hold at Washington, will the Government make a timely request to the Imperial Authorities for the inclusion of a representative or representatives of the Commonwealth of Australia in the personnel of the British Empire Delegation?

Senator E. D. MILLEN.—This matter is seriously engaging the attention of the Government.

TARIFF BOARD BILL.

In Committee (Consideration resumed from 20th July, *vide* page 10308):

Clauses 2 to 4 agreed to.

Clause 5—

For the purposes of this Act there shall be a Tariff Board consisting of three members.

Senator DRAKE-BROCKMAN (Western Australia) [3.12].—I move—

That the clause be amended by adding the following sub-clause:—

(2) The Tariff Board shall, in the exercise of the powers conferred upon it by this Act, perform the functions heretofore exercised by the Bureau of Commerce and Industry, which is hereby abolished.

A good deal of opinion has been expressed in the Senate against the creation of unnecessary Boards, particularly on the score of economy. If we examine the functions of the Board to be created under this Bill, as set out in clause 15, and the functions carried out by the present Bureau of Commerce and Industry, it will be found, broadly speaking, that they overlap in almost every particular. Where they do not overlap, a slight amendment in clause 15 will enable the proposed Board to carry on the work now undertaken by the Bureau of Commerce and Industry. We have, I am informed, a growing Department of Commerce and Industry, the head of which is drawing a high salary from Commonwealth revenue.

Senator FAIRBAIRN.—Will the honorable senator read the functions of the Bureau of Commerce and Industry?

Senator DRAKE-BROCKMAN.—Yes. The first is—

The effective organization of each industry from within in order to secure the employment

of modern methods in all stages of production and distribution.

That represents a pious hope more than anything else.

Senator WILSON.—It has not accomplished anything.

Senator DRAKE-BROCKMAN.—No. But it has expended a very large sum of Commonwealth money without achieving any results. The second function is—

The encouragement of new, and further development of established industries.

That is a function that could be exercised by the proposed Board, as the whole object of the Tariff is the encouragement of new industries and the development of those already established.

Senator PAYNE.—I cannot see any relation between the functions of the Bureau of Commerce and Industry, and those provided in clause 15.

Senator DRAKE-BROCKMAN.—That clause may have to be amended.

Senator VARDON.—Who are the members?

Senator DRAKE-BROCKMAN.—The director is Mr. Stirling Taylor, and the Council consists of representatives elected by Chambers of Manufactures, Chambers of Commerce, primary producers, and other chief commercial interests of the Commonwealth who are good enough to advise from time to time on matters in their respective domains.

Senator PRATTEN.—Senator Crawford knows something about that.

Senator DRAKE-BROCKMAN.—Yes. I understand the honorable senator is a member.

Senator CRAWFORD.—I was a member of the Council.

Senator DRAKE-BROCKMAN.—But the honorable senator has not received any communications regarding meetings of the Council for some time.

Senator WILSON.—It is a very lively Board.

Senator DRAKE-BROCKMAN.—Yes. And we have to pay £1,500 a year to the gentleman who presides over it.

Senator THOMAS.—Are there any fees?

Senator DRAKE-BROCKMAN.—I would not suggest that that is the reason why the Board has not been called together. The other functions are:—

The furnishing of reports on: (a) Prospects of trade in various countries; and (b) Best methods of meeting foreign competition in overseas markets, and particular methods adapted to the various countries where there is opportunity for expansion of trade.

These are two functions which could very well be left to the merchants of Australia when they require assistance of any value, because I am sure they are likely to be more alert in their own interests than the Bureau of Commerce and Industry could possibly be. The fourth function is:—

To inform oversea inquirers as to the opportunities for establishing industries in the Commonwealth.

What Board could be better informed on that point than the body it is proposed to create under this Bill, particularly as the proposed Board is to inquire into the profits made by manufacturers.

Senator SENIOR.—Is it not more a trade than a Tariff Board?

Senator DRAKE-BROCKMAN.—I think not. The proposed Board could very well deal with the various functions I have mentioned. Moreover, it would be the means of saving the Commonwealth taxpayers a considerable sum each year. The amalgamation of the two Boards could very easily be carried out, and the functions of both performed by the one body. I strongly recommend my amendment to the favorable consideration of honorable senators.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.19].—I trust the Committee will not accept this amendment. Despite the affirmation of Senator Drake-Brockman that the functions of the two bodies are practically the same, they are not. The work of the proposed Tariff Board is confined to the operations of the Tariff.

Senator JOHN D. MILLEN.—The results would probably be the same—negative.

Senator RUSSELL.—Not necessarily—

The CHAIRMAN (Senator Bakhap).—Order! It would be a misuse of the power conferred upon me by honorable senators if I permitted discussion on a matter which I thought did not come within the compass of the Bill. Honorable senators will do me the credit of believing that at all times I endeavour to keep the discussion in Committee as wide as possible; but it seems to me that the amendment submitted by Senator Drake-Brockman does not come within the scope of this Bill, and its purpose could hardly be effected in a measure of this description. This Bill deals with matters solely

concerning the Tariff, and the amendment seeks to abolish another institution which it is not clear is endowed with anything like identical functions. Reluctant though I am at any time to curtail discussion, or to fail to receive amendments, I feel I cannot accept the amendment in its present form. Therefore, I rule it out of order.

Senator PRATTEN.—I object to the Chairman's ruling, and pursuant to the standing order, I hand in my objection in writing.

In the Senate:

The CHAIRMAN OF COMMITTEES.—I have to report that, while clause 5 of the Tariff Board Bill was under consideration in Committee, Senator Drake-Brockman submitted an amendment to the following effect:—

The Tariff Board shall, in the exercise of the power conferred upon it by this Act, perform the functions heretofore exercised by the Bureau of Commerce and Industry, which is hereby abolished.

After reflection, I ruled that the amendment was not in order, and therefore I did not permit the discussion to continue. Senator Pratten took exception to my ruling, in the following terms:—

I disagree with the Chairman's ruling for the reason that under clause 15 the Tariff Board is empowered to inquire into and report upon everything commercially concerning the primary and secondary industries of Australia.

I came to the conclusion that the functions of the Tariff Board will appertain absolutely to the Tariff, whereas the amendment purported to abolish an institution constituted under another Act, and in regard to which I cannot discover any identity of functions. It seemed to me that the amendment was outside the scope of the Bill which the Senate was considering in Committee, and that it would be improper to permit the time of the Committee to be occupied in discussing it. I have now to submit the matter for your review and decision.

Senator PRATTEN.—As you, sir, have already been informed, I have dissented from the ruling of the Chairman upon a specific matter which has been raised by the amendment submitted by Senator Drake-Brockman. I do not know whether I accurately caught what the Chairman said in his opening remarks, but I am

under the impression that he stated that he had ruled the amendment out of order because it conflicts with an Act which is already upon our statute-book. May I point out that there is no Act under which the Bureau of Commerce and Industry, to which reference is made in the amendment, was created. By no stretch of imagination, therefore, can it be urged that the amendment conflicts with any Statute law." It certainly conflicts with an administrative act, but it is within the competence of this Parliament either to amend an administrative act or to include it in any Bill which may come before it. Senator Drake-Brockman has very properly pointed out that the creation of a Tariff Board to discharge the duties set out in clause 15 of this Bill would practically mean the duplication of the whole of the activities of the Bureau of Commerce and Industry. The four functions of that Bureau were read by the honorable senator, and the whole of them fall within the ambit of the trade, commerce, and industry of Australia. If you, sir, will refer to clause 15 of the Bill, you will find that the powers to be conferred upon the proposed Tariff Board are unlimited in connexion with its inquiry into "any other matter in any way affecting the encouragement of primary or secondary industries in relation to the Tariff."

Senator PEARCE.—"In relation to the Tariff."

Senator PRATTEN.—But the Tariff is everything.

Senator SENIOR.—No, it is not.

Senator PRATTEN.—It is everything in connexion with the trade, commerce, and industry of this country. How Customs duties are imposed or how they are remitted, affects the whole of our import and export trade. We cannot sell abroad without being affected by the Tariff, nor can we buy there without being similarly affected. We cannot buy or sell from our own people without being affected by the Tariff. Consequently the Tariff covers everything that is connected with the commerce and production of the Commonwealth. Inasmuch as the functions of the Tariff Board will cover everything connected with our primary and secondary production, I hold that the amendment is perfectly in order. I repeat that it does not conflict with any Act of Parliament, and that the func-

tions of the Bureau of Commerce and Industry, as officially set out in a Government publication, are covered by clause 15 of this Bill.

Senator PEARCE.—I confess that when the amendment was first submitted, I thought that it was in order. Upon further examination, however, I can see that there is a vital difference between the functions of the proposed Tariff Board and those of the Bureau of Commerce and Industry. There is also a vital difference between their statutory authority. It is quite clear that the Bill which is now before us is linked up in every clause with our Customs and Excise Tariff.

Senator EARLE.—It is to be incorporated with our Customs Tariff Act.

Senator PEARCE.—In the very clause which was mentioned by Senator Pratten it is linked up with that Act.

Senator PAYNE.—But Senator Pratten stated that there is no legislative authority for the existence of the Bureau of Commerce and Industry.

Senator PEARCE.—In that statement he is quite wrong. The legislative authority for the Bureau in question is to be found in the Appropriation Act. Parliament has therefore authorized its establishment, and has provided the salaries which are paid in connexion with it. The Appropriation Act is just as much a Statute as is the Customs Tariff Act. The only difference between the two bodies mentioned is that we are proceeding by means of other legislation to indicate the functions of the Tariff Board, whereas in the case of the Bureau of Commerce and Industry we indicated its functions by means of regulations, which have been read by Senator Drake-Brockman. Moreover, it is clear under standing order 201 that any amendment submitted by an honorable senator must be relevant to the subject-matter of the Bill under discussion. What is the subject-matter of this Bill? It is a Bill to authorize the establishment of a Board to deal with the Tariff and nothing else. Senator Pratten himself admits that the Tariff is intended to stimulate production. But the Bureau of Commerce and Industry discharges a subsequent duty. Its function is to deal with production after things have been produced, and to arrange for their profitable sale. That function is quite distinct from the functions to be discharged by

the proposed Tariff Board. It might be a proper subject for another Bill, if Parliament thought fit to define its functions in that way rather than by regulation, but it has statutory authority in the shape of the Appropriation Act. The effect of this amendment is to amend the Appropriation Act, because it proposes to abolish something that has been constituted under the authority and with the consent of Parliament by means of that Act. If we can do what the honorable senator proposes in this way, we would carry the principle very much further by tacking on all sorts of provisions to this Bill, abolishing other authorities which Parliament may have set up in various ways.

Senator DRAKE-BROCKMAN.—The Minister for Defence (Senator Pearce), with his usual eloquence, has argued that my amendment is not relevant to the Bill. His principal objection is that the Bureau of Commerce and Industry is brought into being under another enactment. If the inclusion of the item "Director, Bureau of Commerce and Industry" in the Estimates is a legislative enactment of the variety contemplated by our Standing Orders, then the Minister's contention is correct. All that appears in the Estimates is the line I have indicated, with the salary attached to it. The Bureau is a body created to carry out half-a-dozen functions, which are not laid down by any legislative enactment. They are brought into existence by some Department, probably by Mr. Stirling Taylor himself. Consequently, the objections raised by the Minister for Defence are not in the least applicable. I submit, moreover, that the functions prescribed for the Bureau in the document I have read, which is not the legislative enactment that brought the Bureau into existence, if not identical with the functions prescribed by clause 15 of the Tariff Board Bill, are very similar to them. Paragraph *d* of sub-clause 2 of clause 15 mentions, among the questions into which the Tariff Board is to inquire, "Any other matter in any way affecting the encouragement of primary and secondary industries in relation to the Tariff." The whole object of the Bureau of Commerce and Industry is to deal with the industries of Australia.

Senator SENIOR.—Not in relation to the Tariff.

Senator DRAKE-BROCKMAN.—How or what it is related to is not laid down by any legislative enactment.

The PRESIDENT (Senator the Hon. T. Givens).—If the honorable senator will excuse me, that question has nothing to do with the point at issue. The only point at issue in the ruling of the Chairman is that of relevancy.

Senator DRAKE-BROCKMAN.—I submit that the amendment is relevant to the Bill, because the functions of the Bureau of Commerce and Industry are very similar to those prescribed by clause 15 for the Tariff Board that we are now creating.

Senator PAYNE.—I am in agreement with you, sir, that this is not the time to discuss the functions of the two bodies. What we have to decide is whether the amendment can be accepted by the Chairman as relevant to any matter contained in the Bill. I support the Chairman's ruling, because, although Senator Pratten has argued that the amendment should be accepted on the ground that the Bureau has been created by Ministerial act and not by legislative enactment, I contend that the position is just the opposite. We never find an Act of Parliament repealing or abolishing a Board or other body unless that Board or other body has been appointed by an Act of Parliament. We must repeal something that has been passed by the Legislature, and not a Ministerial act performed under the powers conferred upon the Minister during a recess, unless that Ministerial act has been afterwards indorsed by Parliament at the Minister's request. There is only one way to deal with the question of the Bureau of Commerce and Industry. We have passed no Act bringing it into existence, but we shall be asked annually to vote a sum of money for its operations. That is the only opportunity given to Parliament to deal either with its abolition or with the curtailment of its powers. For these reasons I submit that the Chairman's ruling is perfectly constitutional, and that no other could have been given. I shall probably have an opportunity later to deal with the difference in the functions of the two bodies, if a further amendment which can be debated is moved, but at present it is only a waste of time to discuss the similarity of those functions, when we have no power to deal with the existing body under the Bill now before us.

The PRESIDENT.—I do not think it is necessary that the issue should be argued at greater length, because it appears to me quite clear. Whether the Bureau of Commerce and Industry has statutory authority for its existence or not is entirely beside the question. It makes no difference whether it has or has not. The only consideration by which the Chairman and myself are bound to be guided, in deciding whether any amendment is or is not in order, is whether it is relevant to the Bill which the Senate or the Committee is considering. If it is relevant, no other power exists to prevent the Senate or the Committee from dealing with it. That, therefore, is the only point which I have to decide. Honorable senators are quite right in pointing out that the duties of the proposed Tariff Board are fully defined, and clearly set out in clause 15 of the Bill. Every one of them has some separate and distinct relation to the working of the Tariff, and the duties of the Board are limited by and confined to the provisions of that clause. As I understand the duties and functions of the Bureau of Commerce and Industry, they have nothing to do with the Tariff. They are to organize matters in order to insure the smooth working and carrying out of the various operations of trade, commerce, and industry in Australia generally. They have nothing to do with the Tariff, or with the Tariff Board. They constitute an entirely different and separate matter, and, therefore, cannot possibly be relevant to this Bill. Whatever may be my opinion, or the opinion of the Senate, with regard to the Bureau of Commerce and Industry, this is not the proper occasion on which to express it. I rule that the proposed amendment is not relevant to the Bill, and must, therefore, support the Chairman's ruling.

In Committee:

Senator PRATTEN (New South Wales) [3.50].—The clause provides for a Board of three members. In view of all that has been said with regard to the amalgamation of Government activities in the direction of trade and commerce that are now overlapping, I think a little more elasticity of operation might be provided by increasing the proposed number of members of the Board. We now have a Board of Trade, a Bureau of Commerce and Industry, a Flax Committee, and

we may have more governmental organizations to-morrow. As the Senate has decided, by a division of nineteen to eleven, on the motion for the second reading of the Bill that we are to have a Tariff Board, I should like to make that organization practically the supreme commercial authority of Australia.

Senator DRAKE-BROCKMAN. — That is what I was driving at.

Senator PRATTEN. — There is one matter not included within the ambit of the powers of the proposed Board which might be attended to by such a Board very much better than in the way which it is intended to deal with it at some future time. I refer to the very controversial matter of the appointment, in foreign countries, and in other portions of the Empire, of trade agents in connexion with the exportation of Australian goods. I do not intend to use arguments to show why this is a controversial matter, but will content myself by saying that, if a certain policy is pursued by the Bureau of Commerce and Industry in connexion with the appointment of trade agents, and that certain recommendations made to the Minister are not to be brought before Parliament until, perhaps, after these agents have been appointed, the country may be faced with the obligation of meeting a very considerable expenditure indeed. As an illustration for the purpose of argument, and not of criticism, I may refer to the appointment of a commercial agent in Shanghai at a salary of £2,000 a year with two assistants as secretaries at £1,000 a year each, and the usual office paraphernalia. Coming back to the clause, I should like the membership of the proposed Board to be increased, in view of the amalgamation at some future time of the present disconnected organizations dealing with Australian import and export trade. Little birds have been whispering that it is proposed to appoint some more of these commercial agents to whom I have referred.

Senator PEARCE.—The Minister has definitely stated that no more are to be appointed without Parliament first being consulted.

Senator PRATTEN. — I am glad to hear the Minister for Defence (Senator Pearce) make that statement. It will relieve the minds of many of us. I

understand that it was only yesterday stated for the first time elsewhere that no more commercial agents abroad would be appointed without the specific authority of Parliament. I feel strongly that no better Committee could be suggested to advise the Government and Parliament as to where commercial agents should be appointed abroad than a strong Tariff Board, which, by reason of its deliberations, would be *au fait* with the whole of the import and export trade of Australia. I submit for the consideration of the Minister the addition of a few words to this clause to make the Board a little more elastic, in order that, in the not distant future, the Government may intrust to a strong Tariff Board some of the functions which are now performed by other Commonwealth commercial organizations.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.53].—Getting back to my interrupted statement, I was pointing out that there is some misconception as to the functions and powers of the proposed Tariff Board and the Bureau of Commerce—and Industry. The powers of the proposed Tariff Board will have direct relation to the Tariff. The functions of the Bureau of Commerce and Industry are quite distinct. Some honorable senators are, apparently, ready to criticise without examination the work done by different Commonwealth organizations, and I gladly extend to them an invitation to visit the offices of the Bureau of Commerce and Industry and become familiar with the task in which it is engaged.

The CHAIRMAN (Senator Bakhar).—As I ruled an amendment referring to the Bureau of Commerce and Industry out of order, I ask the Minister not to indulge in a discussion of its functions.

Senator RUSSELL.—Senator Pratten proposes the strengthening of the proposed Tariff Board, and let me say that that course may be very easily adopted later by the introduction of an amending Bill, if it is found desirable. I do not think that we should consider a proposal to increase the number of members of the proposed Board until we know whether the organization, as proposed in the Bill, will be effective or not.

Clause agreed to.

Clause 6—

(1) The Governor-General shall, as soon as conveniently practicable, appoint three persons to be members of the Board, and on the happening of any vacancy in the office of member the Governor-General shall appoint a person to the vacant office.

(2) One of the three persons to be so appointed shall be a person who holds an administrative office in the Department of Trade and Customs.

Senator BENNY (South Australia) [3.55].—I move—

That after the word "Board," line 3, the following words be inserted:—"two of whom shall be members of the House of Representatives and one shall be a member of the Senate."

I submit this amendment in the interests of public economy. The people throughout Australia are clamouring for economic government. There is a great outcry against the creation of additional Boards. I have every sympathy with the creation of a Board for the regulation of the incidence of the Tariff, but in this clause the Government propose a Board constituted of a chairman, who is to receive £1,400 a year, and two other members, who are to receive £5 5s. per sitting. Under clause 17, the Board may, on its own initiative, inquire into and report on any of the matters referred in sub-clause 2 of clause 15, so that it may sit day and night the whole year round. This would mean an expenditure of £10 10s. for every day, in addition to the salary of the chairman. As reasonable beings, surely we can arrange that the Tariff Board shall be constituted of members of this Parliament! We are elected by the people to look after the business of the country and are paid £1,000 a year to do it. We have a Public Works Committee and a Public Accounts Committee at the present time performing functions of great value at a minimum cost. I understand that the members are paid only their expenses.

Senator CRAWFORD.—I think that every State is represented on each of the Committees referred to.

Senator BENNY.—That is not necessary. I suggest that the Tariff Board should consist of two members of the House of Representatives and one of the Senate, because the House of Representatives has double the number of members who com-

prise the Senate. We do not expect the members of the Tariff Board to be experts upon every matter involved in the Tariff. It is all very fine for the Government to contend that experts are required to regulate the Tariff, but it cannot possibly be expected that the members of the proposed Board will be experts upon every subject covered by the voluminous schedule to the Customs Tariff Bill.

Senator FAIRBAIRN.—Senator Bakhap has said that in this Parliament we have experts of every conceivable sort.

Senator CRAWFORD.—We could not put them all on the Tariff Board.

Senator BENNY.—I have proposed that only three should be appointed to the Tariff Board. The function of the Board will be to collect evidence. It will sit and examine witnesses. It will call eminent officials of the Customs Department, leading manufacturers, and consumers, and representatives of every branch of industry. It will hear the evidence of these witnesses, and will report to the Government. Surely members of this Parliament could exercise those functions as well as any outsider? They could certainly do so more cheaply and effectively. We are paid £1,000 a year each to do this work, and we ought to do it. As a representative of South Australia, I object to shoudering upon the people of Australia another Board. These Boards crop up like mushrooms in the night. People go to bed at night and thank God that at least there is no Board appointed in connexion with the Tariff, and they may rise next morning to discover that while they slept one has been created.

Senator THOMAS.—Would the honorable senator pay members of Parliament constituting the Board so much a sitting?

Senator BENNY.—That is a detail which could be considered later by the Senate and by the House of Representatives. I should say that they should be given their travelling expenses. Certain allowances are made to members of Parliament acting on Royal Commissions. I was informed by one who took a prominent part as a member of the Cockatoo Island Dockyard Royal Commission that his allowance did not cover his expenses in Sydney.

Senator DUNCAN.—Is such an imputation against Senator Reid in order?

Senator BENNY.—It was not against Senator Reid. The honorable senator is "barking" up the wrong tree. The country is sick and tired of Boards, which have cost the country a good deal of money, and we, as responsible legislators, have to protect the people's interests. We cannot lightly create a new Board such as this, the chairman of which is to receive £1,400 a year, and the other members £5 5s. each per sitting, apparently with the option of saying how often they will sit. I trust the members of the Committee will consider the responsibility which rests upon them, and support the amendment which has been submitted in the interests of economy.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [4.7].—I trust the Committee will not accept the amendment moved by Senator Benny. In the first place, the proposed Board must be a continuous body, and be prepared to give decisions on matters which arise from time to time in the Department in regard to the interpretation of rates and classifications in the schedule. Such questions as these will arise almost daily.

Senator THOMAS.—And the honorable senator said that it would be necessary for the Board to meet only once a week.

Senator RUSSELL.—I have already stated that two members of the Board will devote a good deal of their time to inquiring into questions of detail, and that a meeting of the full Board will only be convened when questions of policy are to be decided. Honorable senators can realize the position which would arise in the event of a Committee consisting of members of the two Houses being appointed, some of whom might be representatives of Queensland or Western Australia. When Parliament is in recess or during an election, it would be practically impossible to obtain their services, when probably merchants and others vitally interested would be awaiting decisions. The work of the Board could not be suspended during recesses, because the position would, in that event, become chaotic. This is an economy dodge, and I do not think that members of Parliament occupying honorary positions would be prepared to devote the time required to fully consider

the detailed work to be undertaken. Members of Parliament are not paid for serving on Boards, but for assisting in framing legislation, and if they are to do extra work they should receive additional remuneration.

Senator BENNY.—But what of the Public Works Committee?

Senator RUSSELL.—That is a very excellent body, doing splendid work, although some of its decisions have been criticised in the public press.

Senator BENNY.—Senator Wilson and Senator Reid unselfishly served on the Cockatoo Island Dockyard Commission without any remuneration.

Senator RUSSELL.—That may be so; but they were appointed to do work which occupied a comparatively short time. I do not think that a senator from Queensland or Western Australia would act on the proposed Board in an honorary capacity, because he would have to pay his expenses during a recess to visit Melbourne to deal with an accumulation of cases. Personally, if I were a member of the Board I would not object to attending meetings at the Customs House here, but I do not think Senator Drake-Brockman, who is a representative of a distant State, would act unless he received his expenses.

Senator THOMAS.—Do I understand that the two business men suggested are to be selected in Melbourne?

Senator RUSSELL.—Not necessarily. The members of the Board of Trade are independent men, and they meet at least once a fortnight.

Senator DUNCAN.—The business men on this Board would not be independent very long if they had to carry out the work suggested by the Minister.

Senator RUSSELL.—If members of Parliament were members of the Board, and had to pay their own expenses, they would not remain in office for two weeks.

Senator THOMAS.—You do not ask business men to pay their own expenses?

Senator RUSSELL.—In some cases they do.

Senator WILSON.—The Bill provides for five guineas per sitting and expenses.

Senator RUSSELL.—Members of the Board of Trade have not received one penny, and have performed valuable work in the public interests. The members of the Flax Board have also done ex-

cellent work in establishing the industry in Australia. The flax produced in the Gippsland district was sampled, and after being sent to the Old Country was found to be second only to that produced in Belfast. This product was sold at £300 per ton, and although the success achieved was due largely to the efforts of the members of the Flax Board, they were not paid one penny as expenses. If members of Parliament were appointed to the proposed Board, its work could not possibly be continuous.

Senator WILSON.—I understood the Minister to say that he knew over a hundred men who would be willing to serve on the Board.

Senator RUSSELL.—Yes, and Senator Bakhar said that there were 111—he was referring to the members of both Houses—who were fully qualified; but I think we were both rash. For specific duties a number of men could be obtained who would render satisfactory and honorary service to the Commonwealth. Men of keen intellect and ability are necessary.

Senator THOMAS.—Are not there such men in Parliament?

Senator RUSSELL.—I do not suggest that there are not; but as I have mentioned, they are not in a position to render continuous service. I ask the Committee to reject the amendment.

Senator VARDON (South Australia) [4.15].—I am sorry the Minister (Senator Russell) is not prepared to give favorable consideration to the amendment moved by Senator Benny, who, I regret, did not move to amend a previous clause which limits the number on the Board to three.

Senator BENNY.—We can recommit that clause if necessary.

Senator VARDON.—A Parliamentary Committee consisting of seven members could be appointed. I believe the object in appointing a Committee such as that suggested is to save the Commonwealth expenditure, and to avoid the duplication of unnecessary Boards. The Minister said that the proposed Board would exercise functions quite distinct from those performed by the Bureau of Commerce and Industry. I believe the Minister for Trade and Customs (Mr. Greene) admitted receiving valuable advice from that Bureau, and if we examine the functions outlined in clause 15 it will be found that the work of the Bureau

of Commerce and Industry is similar to that to be performed by the proposed Board. The members of the Bureau, apart from the Chairman, who receives £1,500 a year, are acting in an honorary capacity. I believe Senator Crawford is a member.

Senator CRAWFORD.—I was, but I do not know if I am now.

Senator VARDON.—The Council, I understand, has not met for two years, and if reports are issued we should see them. I ask the Minister to seriously consider the amendment, as he knows it is the desire of the majority of the Committee to effect economies wherever practicable.

Senator THOMAS (New South Wales) [4.17].—As the Minister (Senator Russell) knows, I am opposed to the appointment of a Board; but if one is to be created I do not think it should consist of members of Parliament. If a Board, such as that suggested by Senator Benny, were to be created, who would be willing to act in an honorary capacity? There are 111 members in both Houses, and if one senator was to be selected from the Senate, and he was not to receive out-of-pocket expenses, I would like to know who would be willing to act.

Senator WILSON.—Let the honorable member speak for himself.

Senator THOMAS.—I am speaking from my knowledge of Parliamentarians. When the Public Works Committee and Public Accounts Committee were first appointed, it was announced that the members of the latter were not to be paid fees, although the members of the former were to receive payment for their services. There was a rush to fill the positions on one Committee and a difficulty in getting members to act on the other. Senator Benny suggests that members should be paid out-of-pocket expenses and so much per sitting.

Senator BENNY.—That is so.

Senator THOMAS.—Then where is economy to be effected? The Minister, I think, said that the sitting fees would be £5 5s. a day. The Government might get a member of Parliament to do the work for £2 10s.

Senator BOLTON.—Who would do his work in Parliament?

Senator THOMAS.—That is another point, about which I shall speak before I resume my seat. We have to deal with

things as they are. It has been suggested that if outside business men were appointed they would have meetings in the mornings and afternoons, perennial meetings I think it was suggested, with the object of drawing fees. Well, I have known members of Parliament, appointed to the Public Works Committee, ready to meet pretty often.

Senator WILSON.—Are you implying that they held meetings for the sake of the fees?

Senator THOMAS.—The honorable senator can imply that, if he likes.

Senator WILSON.—But do you imply that?

Senator THOMAS.—I do not mind saying that I have known members of Parliament, on the Public Works Committee, very anxious to have meetings. They are just the same as other men. If it is said that outside business men on the Board would hold meetings frequently for the sake, possibly, of drawing the sitting fees, outside men will naturally turn round and say that the members of Parliament would do just the same.

Senator WILSON.—I understood you were always in favour of positions on these Boards being filled by members of Parliament.

Senator THOMAS.—I have not been in favour of that principle. If I had my way I would abolish altogether the Public Works Committee.

Senator BOLTON.—What about the Public Accounts Committee?

Senator THOMAS.—Concerning that Committee, I may say that the original intention was that its members should receive no payment, and they should not leave Melbourne for the purpose of any inquiry. Their function was to investigate the financial aspect of public undertakings, and to do the work in Melbourne. Senator Bolton's interjection about the work of a member of Parliament was a very pertinent one. If members are appointed to positions on these Boards they cannot attend so regularly to their parliamentary duties. At the present time two members of this Parliament are away in the Northern Territory on a special inquiry.

Senator BENNY.—And they are doing good work, too.

Senator THOMAS.—I am not suggesting that they are not doing good work. All I say is that they cannot be there

and here at the same time. This is a very serious matter. When members of Parliament receive these appointments and are required to leave Melbourne we grant them leave of absence from their parliamentary duties.

Senator DUNCAN.—Some members of Parliament who are not members of Boards are absent, too.

Senator THOMAS.—That is so. I merely point out that if honorable members receive these appointments, it is their duty very often to be absent from Parliament, and, therefore, they cannot do their work here. I am not, of course, reflecting upon those members who are at present away in the Northern Territory.

Senator GUTHRIE.—They are wasting public money, but it is not their fault.

Senator THOMAS.—I would not say that. I simply say that they are absent from Parliament. Another aspect to be borne in mind is that if a member of Parliament is appointed to this Board, he will, undoubtedly, be influenced by his constituency, because he has been returned for his advocacy of certain views with which he has come to be identified.

Senator BENNY.—But all he would be required to do would be to inquire and report.

Senator THOMAS.—Of course; but undoubtedly his reports would be influenced by his opinions. Last evening, when we were talking on this subject, I drew attention to the fact that several years ago an inquiry was authorized into Tariff matters. Among those who made the inquiry were Sir John Quick, Sir George Fuller, ex-Senator Higgs, and another Protectionist. It is remarkable that, although they all heard the same evidence from the same witnesses, we had differing reports from them.

Senator WILSON.—That does not sound very wicked.

Senator THOMAS.—Perhaps not; but it shows clearly that a man is influenced by the political opinions of his constituency. Who is there amongst us that has not got one eye on the elector? Perhaps I am judging other honorable senators by my own standard, and possibly it is not very high. If honorable senators do not care about the opinions of their electors, well and good. I do. I am absolutely against the appointment of any Board. The last man I would seek to

appoint would be a member of Parliament.

Senator FAIRBAIRN (Victoria) [4.27].—I voted against the second reading of the Bill, but now that it is in Committee we want to make it as perfect as possible. I should like Senator Benny to amend his amendment by providing that the chairman shall be an administrative officer of the Customs Department, as proposed by the Government. Then with the two members, one drawn from the House of Representatives and the other from the Senate, the Board would, I think, be satisfactory.

Senator BENNY.—I think the honorable senator's idea is a good one, and I shall accept it.

Senator FAIRBAIRN.—I do not wonder at the Minister (Senator Russell) opposing it at the first blush, because it is a big change, and so I suggest that consideration of the clause be postponed in order that the Minister may see if something can be done to meet honorable senators. The idea originally was to relieve the Minister for Trade and Customs of some of his work. I think that if the chairman is an officer of the Customs Department, and two members are appointed as suggested, they will be practically Assistant Ministers, without salary, of course, although they will get their travelling expenses, which, I think, is about £3 3s. per day. We should then have amongst us experts who would be in a position to give us sound advice on Tariff matters. Unfortunately, members of Parliament are unable to read all the reports that are circulated. The amount of reading that is placed in their hands is so voluminous that very few have time to deal with it properly. A Board composed of two members of Parliament, with the chairman an officer of the Customs Department, would mean continuity of work, and, in this sense, the results should be satisfactory. So far as the Senate is concerned, the Government could select a member with a full period of six years to run. I think the suggestion is well worthy of consideration.

Senator RUSSELL.—Take the experience of the Wheat Board. It cost us nearly £80 to bring a delegate of the Board from Western Australia to Melbourne. He got £4 a day when travelling, as well as railway fares.

Senator FAIRBAIRN.—If a member of Parliament were appointed to the Board there would be no railway fares—he would use his railway pass. The only expenditure would be £3 3s. per day travelling expenses. After all, it is not very often necessary to bring any one from such a distance.

Senator RUSSELL.—We could not ignore Queensland and Western Australia.

Senator FAIREPAIRN.—I do not think any State would be ignored. I have thought over this matter very carefully with a desire to help the Government to make the Bill as perfect as possible, and this is my suggestion. In the two Houses of Parliament we have some of the finest experts chosen by the people, and surely it would be possible to select two who would be prepared to undertake duty on the Board.

Senator CRAWFORD (Queensland) [4.34].—I am not in favour of Senator Benny's amendment, and I am not satisfied with the original provisions in the Bill. To properly investigate all the matters that are set out in the Bill will call for constant attention from members of the Board, and certainly require much more time than a member of Parliament or any man actively engaged in business can possibly give to them. I favour the appointment of three salaried members of the Board; men who would be expected to give the whole of their time to Tariff matters. The Minister (Senator Russell) gave me the impression that the official member of the Board would continue to be engaged in administrative work of the Department. But the Bill itself makes specific provision for his retirement from his ordinary office to assume the duties of a member of the Board.

Senator RUSSELL.—There will be a lot of correspondence to deal with.

Senator CRAWFORD.—In all probability the first act of the Board will be to engage a secretary. I do not think that its chairman would act as secretary, although he will doubtless exercise some supervision over all correspondence. The members of the Board will require to meet almost daily; and in these circumstances I do not think that either a member of this Parliament, or a person who is actively engaged in business, can devote the necessary time to efficiently discharge the duties of a member of the Board.

Senator BOLTON (Victoria) [4.36].—The Boards which have been appointed in this country during the past five or six years have certainly reflected no credit upon the Government, nor have they given satisfaction to the people. For various reasons many Boards have been appointed, and most of them have proved futile. Nevertheless, I think that it is necessary to create a Board if the very important duties which are outlined in the Bill are to be properly discharged. The only matter with which I am concerned is the constitution of the Board. If its work is worth doing, it is worth doing well; and if we desire a job to be done well we must pay well for it. With Senator Crawford, I should like to see the proposed Board constituted of three salaried men, who would be wholly responsible to the Government for the performance of their duties. If we appoint to it two outside business men at a certain rate of remuneration per sitting, much of the work will be done in a perfunctory manner. If it is not possible to create a Board consisting of three paid members, then the suggestion of Senator Fairbairn that the chairman should be a public servant, and that one of the other members should be chosen from the House of Representatives and one from the Senate, is, I think, a good one.

Senator JOHN D. MILLEN (Tasmania) [4.38].—I have listened with a good deal of interest to this debate, and I certainly agree with the suggestion which has been put forward by Senator Fairbairn. Possibly that may prove a way out of the difficulty in which we find ourselves. Having formulated a Tariff, it is amazing that we should be asked to assume that it may lead to such pernicious practices as will warrant the appointment of a Board to supervise its working. That is an argument which ought to be sufficient to make every honorable senator a Free Trader. Under the Customs Act 1901, a Customs Department has been constituted with all its ramifications, and now we are asking one of these officers to educate this Parliament. If it be essential that a Board should be appointed to act as a guide to the Customs Department in certain matters, that Board, to an extent, will supersede the Department. When we begin to talk in that way, we shall be faced with a large

expenditure. Personally, I am opposed to this Bill lock, stock, and barrel. As, however, a majority of the Senate are in favour of it, we can only endeavour to make it as perfect as possible, and to insure that it shall operate in as economical a manner as possible. If we appoint a Customs officer as its chairman, let us provide that the remaining members of the Board shall be drawn from this Parliament—one from each House.

Senator BENNY (South Australia) [4.40].—I am quite prepared to accept the suggestion which has been made by Senator Fairbairn.

Senator RUSSELL.—Does the honorable senator think that the other House will accept that amendment, seeing that it has seventy-five members, while we have only thirty-six?

Senator BENNY.—I cannot say. Senator Crawford stated that far too much time will require to be devoted to the duties of the Board to permit of the appointment to it either of a member of this Parliament or of a man who is actively engaged in business. May I point out to him that eight years have elapsed since the last Tariff was framed, and that in the interim no consideration whatever has been given to it. In the absence of the proposed Board, the present Tariff will have to stand until Parliament is asked to reconsider it. But as there is a continual variation in our manufacturing industries, it is certain that the Tariff will require to be amended in the no distant future. The duty of the proposed Board will be to constantly keep an eye upon the operations of the Tariff. Consequently, I do not think there is much weight in Senator Crawford's argument. On the other hand, the suggestion which has been made by Senator Fairbairn is a reasonable one, which I am prepared to accept. I therefore ask leave to amend my amendment so as to make it read: "One of whom shall be a member of the House of Representatives and one shall be a member of the Senate."

Amendment, by leave, amended accordingly.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [4.43].—I hope that the Committee will not seriously consider the amendment. We ought to be particularly careful to avoid even the suspicion that any recom-

mendations by the proposed Board are based upon political grounds.

Senator BENNY.—Why, the Tariff itself has to be altered by politicians.

Senator RUSSELL.—But they are elected for that purpose upon direct party issues. Surely we do not wish to bring politicians into our administrative Departments. If we have a political Board, both parties will require to be represented upon it, as well as both Houses. Consequently, I can see chaos developing. No Department would be safe—especially a big Department like that of the Trade and Customs Department—if the suspicion were engendered that men were elected to the proposed Board because of their political views. Honorable senators do not mean to tell me that we should not have the Labour party asking for half the representation upon it.

Senator DUNCAN.—The dominating party is responsible for the administration of our Departments.

Senator RUSSELL.—If politicians were appointed to the Board, its services would not be continuous. Probably changes in its personnel would take place every time there was a change of Government. Yet what we urgently require is steady, careful administration of our Commonwealth Departments.

Senator BENNY.—We change the personnel of our Standing Committees after the election of every new Parliament.

Senator RUSSELL.—That is so; and the people sometimes change their political influence. Whilst I do not think that a politician should be debarred from appointment to the Board any more than should any other individual, such a practice would create a suspicion that would be injurious to our public life.

Senator BOLTON.—The greatest safeguards we have to-day are to be found in our Standing Committees.

Senator RUSSELL.—I trust that the amendment, as amended, will not be carried.

Senator WILSON (South Australia) [4.48].—If the proposed Board was to be an administrative one, I would be in perfect agreement with the Vice-President of the Executive Council (Senator Russell). But it is to be constituted for the purpose of making inquiries into certain matters, and of reporting to the Minister, who, in his turn, will report to Parliament. The honorable gentleman's argument that every party in politics will

desire to be represented upon the Board if politicians are appointed to it will apply with equal force if its members are chosen from outside. If a Customs officer be appointed as chairman, that fact, in itself, will largely tend to continuity of service on the part of the Board. The Vice-President of the Executive Council also stated that if the amendment be carried the personnel of the Board may be changed as the result of a parliamentary election. My own experience is that it would be a great blessing if, as the result of an election, changes were effected in the personnel of some Boards. As a majority of this Chamber have decided that a Tariff Board shall be created, it is our duty to do everything possible to perfect the measure, and to assist the Government to keep faith with the people of this country. Some honorable senators have argued that politicians would not be able to devote the necessary time to the discharge of the duties required of members of the Board. Yet when we were discussing the remuneration of two of its members, the Vice-President of the Executive Council interjected that the Board would need to meet only about once a week. Now we are told that politicians would not be able to devote sufficient time to discharging the functions of members of the Board. I take the liberty of answering that statement on behalf of another section of the Senate, if not the whole of it, by asserting that senators are prepared to render every service within their power while they sit in this Chamber, although it is, perhaps, somewhat of a novelty to find parliamentarians expressing their readiness to have more responsibility and more work cast upon them. The people are crying out from one end of Australia to the other for public economy, and bodies are being created by public opinion in the effort to bring it about. Surely it is time we got down to things practical in the matter of controlling expenditure, and offered to render our services in a private way on a Board whose only business it will be to advise the Minister administering the Tariff. It is ridiculous and absurd to say that members of Parliament have not the necessary time. For a considerable period the Senate is in recess, and five out of every six of the Inter-State members who are brought to Melbourne have the whole of their mornings at

Senator Wilson.

their disposal. They could give these to the community, and, I think, are ready and willing to render that service. It was stated by the Minister yesterday that there are in Parliament men conversant with all sections and classes of trade and commerce. We are the elect of the people, and where could you go better than to Parliament to choose the members of an advisory Board, whose duty it will be to assist the Government? This proposal will help to bring about the economy and efficiency which the public to-day are rightly demanding from the public men of this country.

Senator PEARCE (Western Australia—Minister for Defence) [4.53].—I urge the Committee, in the interests of Parliament itself, to be very careful in making the proposed departure in the machinery of government, because that is what it comes to. One of the charges made against the system of parliamentary or party government—and I have heard it made at other times and on other occasions by some of those very members who have been speaking to-day in support of the amendment—relates to the power of patronage of a Government amongst its supporters. There is a certain amount of force in the charge that, the more we multiply the paid positions in Parliament to which a Government or a dominant party may nominate its supporters the more we sap the independence of Parliament. I take it that we are all interested in maintaining parliamentary government, and we ought not to do anything which is calculated to give to its enemies—and God knows they are plentiful enough—rocks that they can throw at us with some effect.

Senator GUTHRIE.—There is no suggestion to pay members of Parliament for this work, is there?

Senator PEARCE.—Do not let us throw dust in our own eyes. No one who knows what happened in connexion with the Committee of Public Accounts will listen to that suggestion. At the outset the Committee was an honorary body, but its members were not satisfied to let things remain at that. There was a continual agitation until they were paid in the same way as the members of the Public Works Committee, as they had a perfect right to be.

Senator KEATING.—The most serious charge against parliamentary government

to-day is that Parliament is losing control of everything, and handing it over to Boards.

Senator PEARCE.—That charge is made, but the other charge to which I have referred is made also. They may be mutually destructive, but they are made. I have heard in this and another Chamber the various paid offices and the numbers of Ministers pointed out as an indication of the way in which Governments and parties retain political power. That is an argument which is continually being used. Assuming that the amendment is carried, there can be only one member appointed to the Board from each House. Do honorable senators think that Parliament is going to be satisfied to stop there? If it is, then the dominant party for the time being will appoint one of its own members in each House. Are the other parties going to be satisfied with that? If they are, it will be with the reservation that as soon as a change of Government takes place the personnel of the Board will change at once.

Senator BENNY.—So does every Prime Minister and every Minister.

Senator PEARCE.—If Senator Benny agrees with that, where is he going to stop? Is it desirable to introduce into this country the American principle by which, with every change of Government, there is a change in the Public Service? Remember that the members of this Board, although not exactly public servants, will be just on the border line. They will be doing administrative detailed work.

Senator BENNY.—No, they will be simply an advisory Board.

Senator PEARCE.—I can still hear the echoes of the speeches made here yesterday, in which several of the honorable senators who interjected just now pointed out that the Bill was unnecessary, as the Minister could have got his officers to do the work. It is perfectly true that the Minister could have appointed his officers to do the work, but the Minister and the Government thought it necessary and advisable to go beyond that and give the proposed Board statutory authority and functions. That is not in conflict with my statement that this is an administrative Board. Honorable senators who support the amendment are going to initiate in Australia the iniquitous American principle that with a change

of Government there must be a change of the officers of the administration. This is the commencement of that principle, and, if the amendment is carried, this will be the first Australian Act of Parliament in which it has been embodied. I appeal to the Committee not, for the sake of making two more paid positions, for that is what it amounts to, to put that pernicious and iniquitous American principle into one of our Statutes. That is what it will mean, because no Government representing the dominant party is going to have at the Customs Department, advising its Minister of Customs, two members of the opposite party. Honorable senators know it quite well, and if they carry the amendment they do it with their eyes open to that fatal fact. No Minister of Customs of the official Labour party, or of the Country party, if they come into power, will continue his administration advised by two Nationalist members, assuming the Nationalists to compose the Opposition.

Senator BENNY.—But you have provided for the limitation of the terms of the appointments.

Senator PEARCE.—That has nothing to do with the point. What I have said is the essential thing which honorable senators know they are going to do if they put party representatives into these administrative positions. I appeal to the Committee, for the sake of our parliamentary institutions, not to do that. It is a fact that members of Parliament will not have the time to do the work which is called for, if the work is to be efficiently done. It is all very well for Senator Wilson to say that members have their mornings free. I am surprised that he should say it, because he knows it is not a fact.

Senator WILSON.—You do not mind my being honest, do you?

Senator PEARCE.—I say it is not honest. I do not mean that Senator Wilson does not say it honestly as regards himself, but if members of Parliament do their duty as members they find quite enough to occupy their time when the Senate is not sitting. If a member does his duty as he should, he can find quite enough to do in attending to his correspondence and departmental work. This is the first time that I have heard a member say that he has spare time. I never found any spare time as a private

member. Bearing on that point, what has recently happened in connexion with the Public Works Committee? A most important inquiry is proceeding, which Parliament asked the Committee to carry out. How many members of the Committee could be found to carry it out? Why could not they be found to carry it out? It was because their political duties necessitated their attendance here. Those members who are carrying it out are taking a certain amount of political risk in being away from their political duties here. It is not a fact that the members of the Senate or of another place are elected to perform the duties set out in the Bill. They are elected for quite other purposes. Their duty is to make the laws of this country, and to act as the watchdogs of the Administration of the country. If honorable senators are going to put into the hands of the dominant party all these paid positions, because that is what it comes to, they are going to sap the independence of Parliament, and lessen the numbers of those who can take up an independent position in criticising the administration of the Department. These two men will be linked up with and tied up to the administration. They will be practically officers of the Department. I am not making this appeal to the Committee from any desire to triumph over a member who has moved an amendment. Something more inspires me to speak in this matter. I appeal to the Committee again to consider what position they will place these members in, and the position in which they will place the chairman of the Board. He will be a public servant, and his salary will have to be voted by Parliament. Honorable senators are putting him in a position of superiority, as the chairman of the Board, over two members of this Parliament. Is that a wise or fair thing to do? I take it that we want to get from the chairman his ripe and independent judgment, to the best of his ability. He will meet these members of Parliament, who, in a sense, are his masters and employers, on the Board, and may have occasion to differ from them. The questions on which he differs from them, and on which, possibly, the Minister will act on the advice of the members, may subsequently be discussed in Parliament. Are honorable senators going to close the mouths of those members in Parliament, and prevent them

from discussing such questions? If not, those members will be in a position to come here and criticise the chairman, and give their point of view, while the chairman, who is the principal officer of the Board, is to be dumb. He will have no voice except through his printed report that comes before Parliament subsequently. In my judgment we shall have an unworkable Board. Every now and then an election or some other political stunt takes place. During the five years of the war we had three elections and two referenda. In an election every senator, in the bigger States at any rate, has to be away about three months, not only from Melbourne, but even from the capital city of his State. In these circumstances, what possible chance has a member during that period of giving attention to his duties as a member of the Board? What is going to happen in the interim? These cases, which are continually arising, cannot be delayed. There are cases arising out of the interpretation of departmental by-laws. There may be an application regarding certain tools of trade which in some circumstances are free and in others are dutiable. Applications of that sort the Board has to determine.

Senator PRATTEN.—How is it done now?

Senator PEARCE.—By the Minister on the advice of his departmental officers, and the Government propose to transfer that inquiry and advice from the departmental officers to the Board, which will advise the Minister. It is practically an administrative matter. These questions will have to be held up during an election, or during the absence of the members of Parliament, until they return to Melbourne. There will be a period of suspense. No duties will be collected on the goods, and they will have to be kept in bond.

Senator WILSON.—In such conditions as the honorable senator refers to, two would be a good quorum for a Board of three.

Senator PEARCE.—Two members of the Board might not be available to form a quorum, as the two political members might be away from Melbourne in connexion with an election. Though I may not be a candidate, I am sometimes supposed to take part in an election. Senator Wilson may perhaps be able to sit back, but the rest of us are expected to go on

the stump at election time. This may be a minor objection to the amendment, but it should be given some weight. I say in all seriousness that the amendment proposes the introduction of a most pernicious American system, and I appeal to Senator Benny not to press it.

Senator ELLIOTT.—The honorable senator forgot to apply that principle in considering the Defence Bill.

Senator PEARCE.—I do not know that I did.

Senator ELLIOTT.—The principle of not permitting a member of Parliament to hold an executive command in the army.

Senator PEARCE.—I know of no instance of the kind. If the honorable senator does, it is his duty to inform Parliament and the country.

The CHAIRMAN (Senator Bakhap).—I ask the Minister not to discuss matters connected with the Defence Bill. He may make only a passing allusion to the interjection.

Senator PEARCE.—I did not intend to do any more. The amendment, in my opinion, is the first attempt made to introduce a pernicious and iniquitous American system, which I hope, for the sake of parliamentary government in Australia, will never be tolerated here.

Senator GUTHRIE (Victoria) [5.7].—I hope to make a speech of record brevity on this amendment. After listening to the many good speeches on the amendment, I wish to indorse *in toto* the remarks which have fallen from the Minister for Defence (Senator Pearce). I think that his arguments are unanswerable. I do not see how any member of the Committee who has supported the amendment can put up a single reasonable argument against those to which we have just listened from Senator Pearce.

Senator ELLIOTT (Victoria) [5.8].—I must vote against the amendment. I showed, by the vote which I gave on the second reading of the Bill, that I am altogether against the appointment of the proposed Tariff Board. It seems to me that the amendment would merely add to our difficulties if it were adopted. I interjected just now that the Minister for Defence (Senator Pearce) forgot, when we were discussing the Defence Bill, to apply the principle which he has

just now laid down with so much emphasis.

Senator PEARCE.—I rise to a point of order. Only just now you, sir, prevented me referring to the Defence Bill, and in the circumstances I think that the honorable senator should not be allowed to refer to it.

The CHAIRMAN (Senator Bakhap).—I was listening very carefully to the remarks of Senator Elliott. He had not proceeded sufficiently far with his argument to enable me to determine whether he was in order or not. A passing allusion to the matter in question is in order, but no lengthy discussion can be permitted of the principles of any measure other than that under consideration.

Senator PEARCE.—I rise to a point of order. Senator Elliott has just announced his intention to refer to the attitude which I took up in dealing with the Defence Bill.

The CHAIRMAN.—I understood that the honorable senator desired to make a simple allusion to that matter for the purpose of illustrating his argument on the amendment before the Chair. That is permissible, but no lengthy reference to the principles of any other measure will be allowed.

Senator ELLIOTT.—I merely wished to remind honorable senators that during the consideration of the Defence Bill I pointed out the danger of members of Parliament being appointed to offices in the Public Service, which has just now been so emphatically expressed by Senator Pearce in connexion with the proposed appointment of members of Parliament on the Tariff Board. When the Defence Bill was under consideration I submitted an amendment which would have had the effect of preventing any member of Parliament accepting a command in the Army. That was done in accordance with the very salutary rule that is followed in the British Army. Such officers in their capacity as members of Parliament might be called upon, in the performance of their duty to their constituents, as unfortunately, I have been compelled to do, to criticise measures brought forward by the Minister charged with the administration of the Department in which they served, on the advice of the permanent officers of his Department. At the same time, in their military capacity, they might be under the orders of permanent officers of the Army.

My point is that in such a case precisely the same position of difficulty would arise as that which might arise if members of Parliament were appointed to the proposed Tariff Board. It was to meet precisely the objections which Senator Pearce has urged with so much force against Senator Benny's amendment that I proposed my amendment to the Defence Bill. Just as I was opposed to members of Parliament being appointed to commands in the Defence Forces, I am now opposed to their appointment on the proposed Tariff Board, and I must object to the amendment for the same reason.

Senator REID (Queensland) [5.13].—Honorable senators supporting the amendment, including the mover of it, have suggested that members of Parliament might be appointed to form the Tariff Board just as they are appointed to form the Public Works Committee and the Public Accounts Committee. I point out, however, that the Public Works Committee is appointed by Parliament to advise as to the necessity of carrying out certain public works, and supply Parliament with information upon which it may be guided in the expenditure of public money on public works.

Senator BENNY.—All that the Tariff Board would have to do would be to advise.

Senator REID.—I do not agree with the honorable senator. The Public Accounts Committee advises Parliament as to whether money voted is properly spent. Both these Committees fulfil a duty to Parliament itself. The Tariff Board, if composed of members of Parliament, would be in an entirely different position. I indorse the remarks of the Minister for Defence (Senator Pearce), who, I think, is to be congratulated upon the very able speech which, on the spur of the moment, he delivered against the amendment. The supporters of the amendment are to be found amongst honorable senators who voted last night to kill the Tariff Board. They are out to destroy the Bill, and I do not blame them if they think they are right in doing so, though I consider that they are making a very great mistake. The proposed Tariff Board will not report to Parliament, but to the Minister for Trade and Customs. It will be a Board to advise the Administration.

Senator BENNY.—It will not be an administrative Board.

Senator REID.—It will be an advisory Board for the Minister for Trade and Customs. I point out that if there were two members of Parliament on the Board they would in all probability exercise a greater influence upon the Minister than ordinary public servants would be able to do.

Senator JOHN D. MILLEN.—The Bill provides that the Minister may or may not take notice of reports of the Board.

Senator REID.—The Minister will be human, like every one else, and he would be more likely to be influenced by members of Parliament, who will be meeting him frequently on terms of equality, than he would be by an ordinary member of the Public Service. In my opinion, it would be a very dangerous step to take to bring politics into the administration of the country in the way proposed.

Senator JOHN D. MILLEN.—What about Ministers?

Senator REID.—They are before the public as heads of the different Departments. The public are the critics of Ministers.

Senator JOHN D. MILLEN.—Who would be the critics of the Board?

Senator REID.—If members of Parliament were on the Tariff Board, the public would not know what influence they might bring to bear upon the Minister for Trade and Customs and his administration. The suggestion that the amendment is desirable on the ground of economy is merely so much camouflage to satisfy those interested in the economy stunt.

Senator JOHN D. MILLEN.—I object to the Board altogether in the interests of economy.

Senator REID.—Senator Fairbairn and other honorable senators engaged in the economy stunt are against all Boards.

Senator PEARCE.—If the honorable senator picks up the *Age* any day, he will find that Senator Fairbairn is on a dozen Boards.

Senator REID.—Men in Senator Fairbairn's position are on as many Boards as they can be elected to.

Senator JOHN D. MILLEN.—The honorable senator does not object to that.

Senator REID.—No; I do not. But as soon as it is proposed by the Government to appoint a Board to do just the same kind of work as is done by the Boards on which certain honorable senators are represented, they at once object

to their appointment. If a Parliamentary Board is to be constituted, it must be appointed by the Government. They will select members of their own party. Those members will be objected to on party grounds by members opposed to the Government. Such a Board would be exposed to criticism in Parliament, not because of its work, but because of its *personnel*. Each party in Parliament would expect representation on the Board, and so its membership would be swelled to that, for instance, of the Public Accounts Committee. Where would the economy come in then. If the proposed Board consisted of seven or eight members free from political influence it might be desirable.

Senator JOHN D. MILLEN.—The members of the Public Accounts Committee receive 25s. a day for expenses.

Senator REID.—I am not referring to the Public Accounts Committee, but to the amendment which has been submitted on the score of economy. Many of those who are supporting the amendment are new to political life.

Senator JOHN D. MILLEN.—Does the honorable senator object to that?

Senator REID.—No; but after they have been in Parliament as long as some of us they will realize that when once the ball is set rolling expenditure will increase.

Senator BENNY.—The honorable senator does not advocate economy.

Senator REID.—Yes; but after thirty years of public life I have come to the conclusion that when once an honorary Board is appointed it is not long before it is incurring expenditure on a very extensive scale. Senator Thomas has already referred to what occurred when the Public Works Committee and Public Accounts Committee were first appointed. The records will show that the members of the Public Accounts Committee, who were to act in an honorary capacity, soon expected similar remuneration to that received by the members of the Public Works Committee. This is a serious step, and one which I cannot support, because I am not in favour of bringing members of Parliament into close touch with the administration of such an important Act.

Senator JOHN D. MILLEN.—Would not the same remarks apply to a Minister?

Senator REID.—No.

Senator JOHN D. MILLEN.—Why?

Senator REID.—Because the Minister is only one member of the Cabinet.

Senator JOHN D. MILLEN.—The Minister has the only "say."

Senator REID.—Of course, he has. If we adopted the amendment undue influence would probably be brought to bear upon members, as has been the case in America. I do not believe that Australians are better than Americans, but I think it can be said that our politics have been cleaner.

Senator JOHN D. MILLEN.—Most of the American history to which the honorable senator refers was municipal and not governmental.

Senator REID.—If the honorable senator is in touch with the political life of America—I believe he is, in connexion with some phases of it—he will realize that my statement is quite true, because apart from municipal control a good deal of undue influence has been exercised in connexion with the administration of their Customs laws.

The CHAIRMAN (Senator Bakhap).—Order! I ask the honorable senator to address the Chair.

Senator REID.—Those who are fully acquainted with American history, particularly in relation to the imposition of Customs duties, know that undue influence has been exercised on those responsible for administering their Customs laws. I am astonished at Senator Fairbairn acting as he is, particularly after his long experience in political life.

Senator FAIRBAIRN.—I am anxious to assist the Minister.

Senator REID.—If such is the case, I think the honorable senator should be prepared to support the clause as submitted by the Minister (Senator Russell). If we follow the suggestion of Senator Benny, we are likely to create many difficulties. We should be prepared at least to experiment with a Board such as that proposed.

Senator EARLE (Tasmania) [5.27].—I am sorry I cannot support Senator Benny in his effort to confine the *personnel* of the Board to members of the Legislature. I have had extensive experience of work undertaken by members

of Boards and Committees, and I know of no men who could have worked more thoroughly and intelligently than those on some bodies appointed by the Government. In a Democracy such as Australia it should be our endeavour to retain, as far as possible, the confidence of the people in our administrative and advisory institutions. The proposed Board is certainly an advisory one, and if the advice tendered is supported by sworn evidence, it becomes obligatory on the part of the Government to accept it, otherwise they would be in an awkward position when submitting it to Parliament. The idea of appointing members of the Legislature seems all very well, but to me it is absolutely impracticable. Paragraph *d* of sub-clause 1 of clause 15 provides that the Minister shall refer to the Board for inquiry and report questions affecting the necessity for new, increased, or reduced duties and the deferment of existing or proposed deferred duties. What confidence would Protectionists have in the advice of a Board on which Senator Gardiner and Senator Thomas, who are pronounced Free Traders, were acting? Those two honorable senators do not believe in the imposition of any duties. What confidence would others have in the advice of a Board consisting, say, of you, Mr. Chairman, a pronounced Protectionist, and of half-a-dozen other honorable senators who are just as emphatic in their belief that Protection is in the interest of Australia? They would not place the slightest reliance in the advice of such a body.

Senator FAIRBAIRN.—The Government would not select them.

Senator EARLE.—Perhaps not. Members of Parliament are compelled, by virtue of their position in Parliament, to announce their beliefs and prejudices either for or against Protection, and, having done that, they would be called upon to judge between two policies when an investigation is undertaken. The suggestion is impracticable, and I strongly advise Senator Benny to withdraw his amendment.

Senator BENNY.—I do not admit its impracticability.

Senator EARLE.—After the honorable senator pronouncing himself a strong Protectionist, almost up to the point of prohibition, in the interests of Australian

industries, he cannot possibly be qualified to investigate and advise on the question of whether there should or should not be increased duties. He has already made up his mind.

Senator DRAKE-BROCKMAN.—The Minister for Trade and Customs (Mr. Greene) is an advanced Protectionist, and he has done it.

Senator EARLE.—The Minister is the mouthpiece of the Government, and, although selected by the Prime Minister, he is appointed with the concurrence of his colleagues.

Senator BENNY.—I could hold an inquiry and submit an unbiased report.

Senator EARLE.—There is a difference in administering a Department with the concurrence of Parliament, and advising the Minister, particularly as the dispute may be between two different policies. Members of Parliament are eminently suited for inquiring into certain public questions, but I am not in favour of a Board consisting of members of Parliament. As the Board will, to some extent, have to perform judicial functions, the work should not be undertaken by men who have publicly announced their policies. With considerable reluctance, I shall oppose the amendment, and, although I have confidence in members of Parliament acting on Committees, I do not think they should act in this connexion, for the reasons I have given.

Senator DRAKE-BROCKMAN (Western Australia) [5.34].—I listened with great interest to the speech delivered by the Minister for Defence (Senator Pearce), and his arguments would have been almost unanswerable if based on true premises, but, as they were not, they break down at the outset. If the proposed Board was to be administrative and not advisory, there would have been a great deal in the arguments submitted by the Minister for Defence. He created a bogey, and proceeded to destroy it with much eloquence and vigour. The Minister is afraid that the system of parliamentary government would break down if we appointed a Board such as Senator Penny suggests; but, in my very humble opinion, the greatest danger that at present exists is the delegation of powers to extraneous Boards. By Act of Parliament, and by administrative acts, we are constantly setting up Boards, the members of which are not responsible to the

people, and, consequently, do not have to face the electors.

Senator JOHN D. MILLEN.—And the people have to carry the burden.

Senator DRAKE-BROCKMAN.—Yes. If we adopt Senator Benny's suggestion, and appoint members of Parliament as the majority on this proposed Board, they will in due course go before the electors to justify their actions both as members of the Board and as members of Parliament; and thus we shall have a greater guarantee of integrity and honesty than in a Board appointed in the way proposed by the Government.

Senator GUTHRIE.—One member might have to go before a red-hot Protectionist constituency, and another a red-hot Free Trade constituency.

Senator DRAKE-BROCKMAN.—This is the position: We have in power a Protectionist Government. If they go out of office the parliamentary members of the Board would go out too. There is nothing more objectionable about that than about a Prime Minister going out of office.

Senator E. D. MILLEN.—It will be a purely political Board if it depends on the fortunes of the Government.

Senator DRAKE-BROCKMAN.—I do not care what it is. It will be an advisory, not an administrative, Board. The Vice-President of the Executive Council (Senator Russell) has emphasized the fact that the Minister for Trade and Customs is overworked and needs assistance. I say he ought to get it, but that it should be parliamentary assistance. When we were on active service we found, from time to time, that staff officers got killed, became sick, or were evacuated from one cause or another, or else they had a habit of being promoted.

Senator CRAWFORD.—A good habit, I should say.

Senator DRAKE-BROCKMAN.—Yes, on the principle that a dead major is a live captain's hope. Thus it becomes necessary to fill the positions which they had been holding. At first the authorities were unable to secure properly trained officers to hold down these jobs, but the difficulty was got over by appointing what were known as staff trainees, so that when any office in the army became vacant, there was always some one, properly trained, ready to fill the position. That will be so in this case. By adopting Senator Benny's amendment we shall be

appointing staff trainees, so to speak, at the Customs House. We shall have our parliamentary representatives down there getting instructions in the proper handling and administration of the Customs Department. What can be more desirable?

Senator PEARCE.—Then the right thing to do is to appoint an Assistant Minister.

Senator DRAKE-BROCKMAN.—That may be one method of meeting the difficulty, but Senator Benny's amendment meets with my approval, because, while our parliamentary representatives are being trained in the work, we shall also be providing for the proper discharge of the functions of the Board.

Senator PAYNE (Tasmania) [5.40].—I have no desire to give a silent vote on this important matter. At first I felt disposed to support the amendment, but after consideration I have come to the conclusion that the best results to the country as a whole will not be secured by its adoption. The suggestion that the Board should be composed of members of Parliament appears to be good, but one cannot fail to notice that very often the interests of the country are neglected through the absence of members of Parliament who have been appointed on various Committees or Commissions, and it seems to me that the people who send us here would not be getting a fair deal if we adopted the amendment. When speaking on the second reading yesterday, I opposed the proposed heavy expenditure; but, as it is passed, I am prepared now to do all I can to assist in making the measure more acceptable. I am not, however, prepared to adopt any scheme of which I do not approve; and I am afraid we shall not get the best results from the adoption of Senator Benny's amendment. I am not going to dwell at length on Senator Drake-Brockman's remarks. His view would, no doubt, be sound if the proposed Board were to be administrative, but as it will be purely advisory, in my judgment, Senator Drake-Brockman is entirely at fault in his attitude towards the remarks made by the Minister for Defence (Senator Pearce). He forgot, apparently, when saying that the electors would favour members of Parliament being appointed to the proposed Board, that members of both Houses must take the full responsibility for accepting or rejecting the recommendations

of the Tariff Board when they come before Parliament. Taking all things into consideration, I do not think that the best results can be expected from the acceptance of the amendment.

Senator PRATTEN (New South Wales) [5.45].—I should like to say a few words in justification of the vote which I intend to give in support of the amendment. I am not concerned so much about the merits of the amendment itself as I am about the principle which it seeks to embody in the Bill. I have been in this Parliament for four or five years, during which time there has been a great deal of Government activity caused by the war. I have seen Board after Board develop as a result of administrative acts, and, practically speaking, members of Parliament have not been considered by the Government in any appointments to honorary Boards. I believe I can say that all members of this or the last Parliament were ready to render honorary public service to the full extent of their time and ability. But what happened? Board after Board was constituted, and Parliament was ignored, and very often this absence of parliamentary representation on these Boards was the cause of great political difficulties and complications.

Senator JOHN D. MILLEN.—And many political gymnastics.

Senator PRATTEN.—I am not going to say that. We, as members of this Parliament, are responsible to our respective electors; and we who are members of the National party have to answer for the virtues or sins of the Government, who in their turn are responsible for the actions of Boards that have been constituted by them. There was no parliamentary representation at all on the great majority of Boards called into existence. In this connexion I may mention the Commonwealth Shipping Board, the Inter-State Shipping Committee, and the Central Wool Committee. It is true there were two members of Parliament on the last named, but they were not appointed *qua* members of Parliament, but as representatives of the wool-growers. There was the Council of Finance, and that most-important organization which controlled the metal trade of Australia, as

well as the Economies Commission; and there is in existence now the Central Coal Board and State Coal Boards, upon which there is no parliamentary representation. Members of Parliament know little about their operations. Perhaps I may be permitted to suggest that it would have been to the advantage of my friend, the Minister for Repatriation (Senator E. D. Millen), had one or two members of Parliament been co-opted in connexion with the War Service Homes Advisory Board. There is the Australian War Museum Committee, the Board of Trade, and the Bureau of Commerce and Industry. I understand that Senators Guthrie and Crawford are nominally members of this Bureau. But Senator Guthrie has intimated that all he knows of it is limited to the first picnic which was held, and Senator Crawford has informed me that he has received no notification in regard to any meetings for the past two years.

Senator CRAWFORD.—But I had nothing to do with the picnic to which the honorable senator has alluded.

Senator PRATTEN.—I absolve my honorable friend from that. Then there is a very important Committee in connexion with the Bureau of Science and Industry. There is no member of Parliament upon that body. There are many other matters in respect to which the Government should co-opt the services of those members of Parliament who are always ready to render honorary service to the country.

Senator RUSSELL.—There are two parliamentarians upon the Shipping Board, and five politicians, Federal and State, upon the Wheat Board.

Senator PRATTEN.—I am unaware that there is any member of Parliament upon the Shipping Board.

Senator RUSSELL.—The late Senator R. S. Guthrie was a member of the Shipping Board.

Senator PRATTEN.—He was for a time. He was appointed to the Board upon its inception. The Board was afterwards reconstituted without him—a procedure to which he very rightly objected. Subsequently, he was again placed upon the Board, but, unfortunately, he died, and his loss from a shipping stand-point is a loss to this Parliament, and no parliamentarian has succeeded him.

Senator RUSSELL.—Upon the Flax Board there was only one parliamentarian—the Minister who was in charge of it. The other members were chiefly the heads of the State Agricultural Departments.

Senator PRATTEN.—I did not mention the Flax Board. I deliberately omitted it because it would not serve the purpose of illustrating my remarks. What was the result of constituting all these Boards during the war, and of omitting to co-opt upon them a representative of this Parliament? During the currency of the War Precautions regulations there grew up in connexion with nearly every important service in this country unofficial dictators. No member of Parliament was able to alter anything which was done by them. Scarcely anything has caused the members of the National party so much trouble as have some of the acts of these unofficial dictators. One matter which came immediately under my own notice, I may be pardoned for mentioning. Honorable senators will recollect that during the term of the last Parliament I moved the adjournment of the Senate to call attention to a comparatively small matter connected with the export of tin scrap. Owing to the official dictatorship which then existed, I was unable to achieve my object, which was to prevent the loss which private individuals and this country were incurring owing to the arbitrary action of one of these dictators. The result is that the owners of that scrap have lost a market for £7,000 or £8,000, that they have the scrap tin in store in Melbourne, that the works which were supposed to have bought it from them have been closed up for some months, and have not even paid for the scrap which they have used. That is an illustration of the fallibility of some of the persons to whom were delegated practically the powers of this Parliament.

Senator RUSSELL.—Surely, there must be some mistake. The Government never ran a tin-scrap factory.

Senator PRATTEN.—I hope that my honorable friend will not deliberately misunderstand me. He must remember some of the circumstances of this particular case, and the arguments that were advanced in favour of the action which was then taken. That action has since been proved to have been absolutely wrong. It was of no benefit to anybody in the Commonwealth, and it has resulted in severe and unnecessary

losses to those people to whom the prohibition applied. Consequently, I repeat that the Government would be well advised if they co-opted upon the proposed Board the services of some members of this Parliament. Every honorable member can bring to bear in conference, certainly, a different view from, and perhaps a wider point of view than can, any commercial man in the community. I shall vote for the amendment of Senator Benny in order to prevent members of Parliament being ignored in connexion with matters of administration and the meetings of the advisory bodies of some of the most important services of this country. I am not satisfied with the Bill because of the overlapping which will occur in connexion with the functions of the Board and those of the Bureau of Commerce and Industry. I suggest that as the Bill is not an urgent one it does not matter whether the proposed Board is constituted this month, next month, or six months hence.

Senator REID.—The other night the honorable senator said the measure was so urgent that the consideration of the Tariff should be postponed to allow it to be proceeded with.

Senator PRATTEN.—I admit that that interjection is a fair one. But we now know the form which the Bill will take, and one provision which must be incorporated in it—

The CHAIRMAN (Senator Bakhap).—Order! The honorable senator's time has expired.

Senator SENIOR (South Australia) [6.0].—Seeing that the Tariff yields annually about £40,000,000, we must recognise that it is scarcely right that a single individual should exercise control over it. What business man or what company would vest in a manager authority to do just what he chose? Yet that is practically the position in regard to one-man control of the Customs Department. I intend to support Senator Benny's amendment. I believe that it is necessary that members of this Parliament should get into closer touch with administrative matters. They should be not merely legislators, but administrators as well.

Senator BENNY.—We should accept our responsibilities.

Senator SENIOR.—Under this Bill we shall be assuming a new responsibility which I have no desire to shirk. Notwithstanding the statements published by newspapers, I hold that members of Parliament are more than the equal of the men who are to be found outside. I do not believe that we can secure the services of outside individuals who will give the best that is in them to assisting the chairman of the proposed Board in return for certain fees. Personally, I should have preferred the Board to have been constituted of four members—the chairman, with two members from the House of Representatives and one from the Senate. The creation of such a body would not increase the expense of administering the Customs Department, and for that reason I shall support the amendment. I am satisfied that its adoption will result in very great advantage to the Commonwealth. It will throw upon members of Parliament the responsibility of doing more than they are doing at present. It will also provide them with a training which will make them better fitted to discharge their parliamentary duties in the future.

Senator PRATTEN (New South Wales) [6.5].—I take this opportunity to complete the remarks which I was making when interrupted by an, at times, very exasperating standing order. I should like the consideration of this Bill to be suspended. The Government might earnestly take into consideration the question whether the proposed Board cannot be greatly strengthened and made to comprise practically the whole of the other commercial activities that the Government are now carrying on. I agree that its chairman should be a prominent Customs official, and hope that, whatever is ultimately decided, there will be no niggardliness so far as his salary is concerned. The Bill has not been enthusiastically received in either House, and, in conjunction with what has occurred in another place in relation to a further measure relating to the trade and commerce of Australia. I feel that, if we are to have a Board of Trade, or a Tariff Board, or a Board of Commerce and Industry—to my mind these names are

synonymous—it is better to have one strong organization in which the whole of the people will have confidence. I speak of the whole of the people, because they are all interested in the trade, commerce, and industry of the Commonwealth. That one Board should be presided over by an experienced and trained official of the Customs Department, and could consist, if honorable senators liked, of some members of Parliament, and some people from outside. I submit this suggestion in all seriousness. The passing of this Bill this month, or next, or the month after, is not vital. We shall not finish the Tariff discussions for several weeks, and it is bound to be some little time afterwards before even the incidence of any of the duties that we impose or reduce will begin to be felt. Therefore, after the very exhaustive discussion that has occurred here and in another place, I should like to see the Government consider the position carefully from this stand-point. There is no question that the Committee appointed some years ago to consider the restriction of the importation of luxuries during the war, and the Committee appointed twelve months ago to inquire into the whole ambit of taxation within the Commonwealth, would have been materially strengthened by the presence of members of this Parliament. The Committee appointed in connexion with the Canberra operations would have been strengthened by the addition of members of Parliament, and, certainly, the Murray River Waters Commission would have been materially strengthened by the presence of one or two members of this Parliament from South Australia. I could adduce many other arguments why the amendment should be carried. One is that, if it is accepted, the Government may see their way clear to postpone the whole of the further clauses pending consideration in the direction of the almost unanimous desire of the Senate. For these reasons, I shall vote for Senator Benny's amendment.

Question—That the words proposed to be inserted be so inserted (Senator BENNY's amendment)—put. The Committee divided.

Ayes	12
Noes	14
Majority	2

AYES.

Bakhap, T. J. K.	Pratten, H. E.
Bolton, W. K.	Senior, W.
Drake-Brockman, E. A.	Vardon, E. C.
Duncan, W. L.	Wilson, R. V.
Fairbairn, G.	
Givens, T.	
Millen, John D.	

Teller:
Benny, B.

NOES.

Buzacott, R.	Pearce, G. F.
Cox, C. F.	Plain, W.
Earle, J.	Reid, M.
Glasgow, Sir Thomas	Rowell, J.
Guthrie, J. F.	Russell, E. J.
Henderson, G.	
Millen, E. D.	
Payne, H. J. M.	

Teller:
de Largie, H.

PAIR.

Keating, J. H. | Crawford, T. W.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 7 agreed to.

Clause 8—

(1) The chairman shall receive, in addition to his salary as an officer of the Public Service, an allowance which, together with his salary, shall not exceed one thousand four hundred pounds a year, and each of the other members shall receive an allowance of five guineas per sitting.

Senator EARLE (Tasmania) [6.16].—
I move—

That the words “which together with his salary shall not exceed one thousand four hundred pounds a year,” be left out, with a view to insert in lieu thereof the following words: “of two hundred pounds a year.”

I explained on the second reading that it would be better to fix a specific amount for the remuneration of the chairman. I take it for granted, first, that it will be an officer very high in the Department who will be appointed as chairman; but the Minister for Trade and Customs may find men in the Department who, although not so high in status, may possess superior talents as investigators, or a judicial mind of a higher quality than is to be found among those Customs officers who are higher in the Service. The salary of such a man may not be more than £500 or £600 a year; and, if he were appointed as chairman of the Board, his extra remuneration as chairman would, in the circumstances, be £800 or £900 a year, which I consider would be more than commensurate with the duties he would be called on to perform. My amendment would provide for

an allowance of £200 for his services as chairman of the Board, in addition to his salary as a Customs officer. If the Minister or the Committee think that is rather parsimonious, or cutting it too fine, I am not particular as to the exact amount. I merely want to establish the principle of making a definite allowance for the services rendered by the officer as chairman of the Board, rather than giving him an allowance to make up his salary as a Customs officer to a sum not exceeding £1,400 a year.

Senator PAYNE.—Do you think the clause limits the choice?

Senator EARLE.—I think so.

Senator RUSSELL (Victoria)—Vice-President of the Executive Council) [6.20].—I would like to remind Senator Earle that under the clause there is no compulsion to pay the chairman of the Board £1,400 per annum. That is the maximum amount which it is provided he shall receive together with his salary as an officer of the Trade and Customs Department.

Senator PRATTEN.—It is not enough. Does the Minister consider it a fair thing that the chairman of the Tariff Board should receive only £1,400, in view of the salary paid to Mr. Stirling Taylor, who receives £1,500 a year?

Senator RUSSELL.—I believe that the Comptroller of Customs receives a salary of £1,400, but the majority of the chief officials of the Department receive considerably less than that amount, and should one of them be selected for the position of chairman of the Board, the £1,400 provided for would represent a considerable increase of salary in his case. In view of all the circumstances, I ask that no alteration should be made in the clause.

Amendment negatived.

Senator PRATTEN (New South Wales) [6.23].—I move—

That the word “fourteen” be left out, with a view to insert in lieu thereof the word “fifteen.”

Senator EARLE.—In the interests of economy.

Senator PRATTEN.—I will not answer to my honorable friend about economy. Let him be responsible to the people of Tasmania for the vote he gave last night.

Senator EARLE.—I am always responsible for my votes.

The TEMPORARY CHAIRMAN (Senator Buzacott).—Order! I point out that the Committee has just decided that the word “fourteen” shall remain as a part of the clause, and Senator Pratten’s amendment cannot, therefore, be received.

Progress reported.

SUPPLY BILL (No. 2) 1921-22.

Bill received from the House of Representatives.

SUSPENSION OF STANDING ORDERS.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [6.25].—I move—

That so much of the Standing and Sessional Orders be suspended as would prevent the Bill being passed through all stages without delay.

It is not the intention to take literal advantage of the permission sought by this motion, but to enable us to proceed so far as our time and energy will permit, without undue delay, with the consideration of the Bill. I ask the Senate to agree to the motion in order that it may not be necessary to have an adjournment between the first-reading and second-reading stages of the Bill.

Senator PRATTEN.—At what time does the Minister promise we shall rise tonight?

Senator E. D. MILLEN.—Does that not depend on the progress made?

Senator THOMAS (New South Wales) [6.28].—I do not care to interfere with the desire of the Government to go on with the business of the country. The Minister for Repatriation proposes the suspension of the Standing Orders to avoid the necessity of an adjournment between the first-reading and second-reading stages of the measure. I have come to the conclusion that our Standing Orders have been wisely framed to enable honorable senators to discuss measures freely at their different stages. I take it that what is behind the present motion is that the Government desires this Supply Bill to go through by 4 o’clock to-morrow afternoon in order to meet the convenience of honorable members in another place. It is asking rather too much of the Senate that we should put this measure through by to-morrow afternoon when it is received here only at 6.30 o’clock, and we shall not begin to discuss it until 8 p.m. Honorable senators should seriously discuss the Supply Bill or should not bother

to discuss it at all. I remind the Leader of the Senate that in another place one day in each month is set aside for the discussion of grievances. That is a very wise provision, but in this Chamber we have no opportunity to discuss grievances except when a Supply Bill is under consideration.

Senator E. D. MILLEN.—I remind the honorable senator that no effort has ever been made here to curtail discussion on the first reading of a Supply Bill.

Senator THOMAS.—That may be so, but under the motion submitted by the Minister, when the first-reading stage is completed we may go on to the second reading and right through with the Bill. Of course, if one or two members of the Senate wish to make things a little unpleasant for the Government, they might do so, whether the Standing Orders are suspended or not.

Sitting suspended from 6.30 to 8 p.m.

Senator THOMAS.—When the Senate adjourned, I was objecting to the Minister for Repatriation (Senator E. D. Millen) suggesting that the Senate should dispose of the Supply Bill by 4 o’clock to-morrow. I quite recognise that if honorable senators have little of consequence to bring forward there is no reason why the request should not be complied with, but I do not see why a Bill should be discussed in another place and after it is received here we should be asked to limit discussion so that it can be returned within a specified time. I can remember the time when I did not believe in the bicameral system.

Senator E. D. MILLEN.—Or in the Senate.

Senator THOMAS.—No. I always looked upon the second Chamber as obstructive or useless; but of late I have been endeavouring to disabuse my mind on that point. I believe, however, there is a good deal in the contention if a Supply Bill involving the expenditure of £4,000,000 or £5,000,000 has to be passed with very little discussion. The measure has been brought before the Senate at 8 p.m., and we are asked to conclude our discussion by 4 o’clock to-morrow. It may be necessary to have an all-night sitting, but I think that undesirable, because the convenience of another place should not be considered to our detriment.

This afternoon we have been discussing an important Bill—

The PRESIDENT (Senator the Hon. T. Givens).—The honorable senator must not discuss that measure now.

Senator THOMAS.—I do not intend to, Mr. President; I was merely saying that an important measure has to be placed aside in order to suit the convenience of honorable members in another branch of the Legislature.

Senator PEARCE.—They have been sitting a long while and deserve some consideration.

Senator THOMAS.—And we shall be sitting while they are in recess, so we should also be considered. There is, however, no reason why the two Houses should not work amicably together. I merely protest against the suggestion that we should pass the Bill by 4 o'clock on Friday.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [8.5].—I trust I made it clear, when speaking previously, that the Government had no intention of demanding—because we have not the power or the desire—that the discussion on this Bill should be limited. I merely pointed out that we were anxious to get the Bill through by 3.30 p.m. tomorrow, to meet the convenience of honorable members in another place. Even if we do that, honorable senators will see that there will be ample time for discussing the measure if we rise at the usual time to-night, because the other measure would have been under consideration without any suspension of the Standing Orders. If the measure is not passed in the time suggested, nothing more can be done. I ask honorable senators, however, to assist the Government, without any breach or abrogation of their responsibilities, to enable that to be done. I have moved the motion, and in doing so I believe I am meeting the known wishes of honorable senators not to sit late to-night. If honorable senators will co-operate, there is no reason why the discussion on the Supply Bill should not be completed in time for it to be returned to the other Chamber at the time mentioned.

Question resolved in the affirmative.

FIRST READING.

WAR SERVICE HOMES COMMISSION: ADMINISTRATION: CASE OF LIEUTENANT-COLONEL WALKER: POWERS OF COMMISSIONERS: MINISTERIAL RESPONSIBILITY: LAND PURCHASES AND HOUSE BUILDING: FINDINGS OF PUBLIC ACCOUNTS COMMITTEE: ACQUISITION OF TIMBER AREAS: PURCHASE OF ERECTED DWELLINGS: ACCUMULATION OF MATERIAL COST OF HOUSES—TRANSFERRED PUBLIC SERVANTS: RETIRING AGE.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [8.7].—I move—

That this Bill be now read a first time. It is quite unusual for a Minister introducing a Supply Bill to speak on the first reading; but I desire to take advantage of this opportunity to deal with a matter at present exercising, not only my own mind, but those of honorable senators, in reference to the War Service Homes Department.

I wish to deal with two aspects of the case. The Senate will be supplied a little later with all the details, statistical and otherwise, and will then have an opportunity of going more thoroughly into the administration of the Department. There are two points to which I shall briefly refer, because they concern myself as distinct from the Department. The first is in connexion with the circumstances in which Lieut.-Colonel Walker was removed from his office as Commissioner for War Service Homes, and in connexion with which, I say at once, my veracity is challenged. Lieut.-Colonel Walker, as honorable senators are aware, was appointed to his position as Commissioner in February, 1919. During my absence in England, the Assistant Minister for Repatriation (Mr. Rodgers), who was temporarily administering the Department, learned that Lieut.-Colonel Walker was an uncertificate insolvent at the time of his appointment. The Assistant Minister interviewed Lieut.-Colonel Walker, who admitted the fact, but said that I was aware of his insolvency at the time of his appointment. I was then within a few days' journey from Melbourne, and the Assistant Minister, with the concurrence of the Cabinet, temporarily relieved Lieut.-Colonel Walker from his position, and

gave him the assurance that before definite action was taken, he would arrange an interview between us to ascertain if the facts were as stated. Lieut.-Colonel Walker, in support of his contention, said there was a telegram on the file which conveyed the information concerning his insolvency. That is so; because Lieut.-Colonel Walker produced the file, and the telegram was there. Perhaps I might at this juncture be permitted to read a statement as to what transpired, knowing as I do that it carries the indorsement of what both the Assistant Minister and I said was the position. The statement made by me on the 21st March last, immediately after an interview with Lieut.-Colonel Walker, reads—

On my return journey to Melbourne I was met at Ballarat by Mr. Rodgers. That gentleman informed me of the position that had been created by the disclosure of the fact that Lieut.-Colonel Walker was insolvent at the time of his appointment. He further stated that Lieut.-Colonel Walker said that I was aware of the insolvency. Consequent upon this statement I sought an interview with Lieut.-Colonel Walker, which interview took place in the Minister's room at the House of Representatives on Friday last, at 10.30 a.m. I informed Lieut.-Colonel Walker of what Mr. Rodgers had told me, and asked Lieut.-Colonel Walker if that correctly represented his statement to my colleague. He replied definitely in the negative, and said that he could not possibly say what I knew, and what I did not know; but, from the fact that the telegram relating to his insolvency was on the file, he assumed that I knew when discussing the matter with my colleagues.

After leaving Lieut.-Colonel Walker I went over to the Cabinet room to attend a Cabinet meeting timed for 11 o'clock. As the Cabinet had not formally assembled I related to such of my colleagues as were present what had transpired between Lieut.-Colonel Walker and myself. Those of them who had met Lieut.-Colonel Walker at the time it was alleged that he made his original statement were so definite as to his having clearly affirmed my knowledge of his insolvency that I thought it advisable to seek a further interview with Lieut.-Colonel Walker, and asked Mr. Rodgers to endeavour by telephone to secure Lieut.-Colonel Walker's immediate attendance. On Lieut.-Colonel Walker's attending in response to the invitation I left the Cabinet with Mr. Rodgers, and we interviewed Lieut.-Colonel Walker in the Prime Minister's adjoining room. I pointed out to Lieut.-Colonel Walker the discrepancy in the statement which my colleagues informed me he had made and that which he had made to me earlier in the day. I asked him to state definitely whether he had affirmed that I was personally aware of his insolvency when approving of his appointment. He stated de-

finitely that he did not affirm that I was personally aware of the insolvency, but he assumed that I knew of it from the fact that the telegram from Mr. Cupples was on the file. He further spontaneously stated that he fully accepted my statement that I was not aware of the insolvency, or of the existence of the telegram referring thereto, at the time the appointment was made.

That was written on the 21st March, and underneath it the Assistant Minister has written that paragraph 2, which refers to the interview between the Assistant Minister, Lieut.-Colonel Walker, and myself, is substantially correct. Since that interview Lieut.-Colonel Walker has repeated in print and in the memorial addressed to honorable senators, and honorable members in another place have reiterated the statement, that I knew of his insolvency. If the matter rested between Lieut.-Colonel Walker's word and my own, honorable senators would have to elect for themselves which version they would credit; but I submit that it is not a question of my word against that of Lieut.-Colonel Walker, because my word has been indorsed by Lieut.-Colonel Walker himself, and the obligation is, therefore, upon him to explain the discrepancy between his affirmation and subsequent denial that I knew of the existence of the telegram conveying the notification that he was an uncertificated insolvent. Notwithstanding his denial of my knowledge of the matter, he now repeats his original statement. I submit, if this gentleman is prepared to adopt tactics of this kind, that—unless he can give some satisfactory explanation—his credibility should not be placed beside mine. I desire to place honorable senators in possession of what the files disclose. Lieut.-Colonel Walker was interviewed by me and two other members of the Cabinet who were appointed a sub-Committee for the purpose. Later I personally interviewed Lieut.-Colonel Walker. That was prior to the appointment. The interview being satisfactory, Lieut.-Colonel Walker was asked to supply the names of personal references, which he did. Telegrams were sent to three gentlemen stating that we contemplated offering the appointment to Lieut.-Colonel Walker, and asking for their views as to his character and capacity. Replies were received to two telegrams, one coming to hand at

3.45 p.m. on the 25th February, and the other at 6 p.m. on the same date.

Senator PRATTEN.—Who were the gentlemen?

Senator E. D. MILLEN.—Mr. Baker and Mr. Hargreaves. One is a gentleman at Albury, and the other a Queensland resident. The third I shall deal with presently. I submit that it is more important to note the times at which these telegrams were received than the names of those who sent them. Mr. Baker's wire bears the General Post Office stamp 3.25 p.m. on the 25th February, and Mr. Hargrave's 6 p.m. on the same day. I do not know what margin of time honorable senators would care to allow for the transmission of these messages to the Department, but it appears that there must have been some margin. Whether these messages reached my office on the same day, that is, the 25th February, I cannot say; but it may be assumed they were there before me on the morning of the 26th. That, I take it, would be a reasonable assumption. There is no record when one was received, nor do the telegraph authorities now send out books for signature as formerly, but it may be assumed that one of the telegrams, at all events, was in my office on the 25th February, and certainly both were there early on the 26th. Now, the letter offering the appointment to Lieut.-Colonel Walker left my office on the 26th February. The third wire, that from Mr. Cupples, reached the General Post Office at 3.59 on the evening of the 26th. I cannot say, and there is no record of the time that telegram reached my Department, but obviously it must have been late that evening; but, even if it did, it was not in time to be opened that day. The letter appointing Lieut.-Colonel Walker went out on the 26th February, and there is a strong presumption that it was despatched before the receipt of the telegram from Mr. Cupples. That telegram was never shown to me. It is a curious fact when one bears in mind the dates and hours I have mentioned. That there was an opportunity to show it to me may be correct. I do not think that the Comptroller, Mr. Gilbert, saw it himself, in spite of what he now says. I am perfectly confident that he did not show it to me. I want to

pass from that matter, but I am somewhat loath to leave it, because, as honorable senators will understand, I am affected by it. I have been twenty-five years in the public life of this country, and I do not want my word to be doubted now.

Senator PAYNE.—Would it be reasonable for Lieut.-Colonel Walker to assume that the Minister had seen the telegram?

Senator E. D. MILLEN.—That is exactly what Lieut.-Colonel Walker said in his interview with myself and Mr. Rodgers. He said, "I did not know what you knew, but I assumed from it being on the file that you did know of it." That is a very different thing from saying that he knew I had seen the telegram. It was right and proper that in the circumstances he should assume that I had seen it, but the question of some one being at fault and the question whether I am lying are two totally different questions. I have told the Senate what happened. Some one was at fault, whether intentionally or unintentionally, in regard to that wire. I do not think now that it was Mr. Gilbert. I think that in his statement Mr. Gilbert is confusing the wire he did show to me with the later wire, which was received, in all probability, after the letter offering the appointment to Lieut.-Colonel Walker had gone out.

I want to leave that matter, and come to the administration generally of the Department. I have no desire to evade the proper responsibility which belongs to me, but I decline to accept responsibility which Parliament deliberately placed upon other shoulders. The War Service Homes Act created a Commission, and gave to the Commissioner very wide independent powers. The reason for that was obvious. The argument was that in a matter of this kind it was not desirable that political influence should operate. For that reason, Parliament appointed a War Service Homes Commissioner, with almost unlimited powers of control. First of all, Lieut.-Colonel Walker had the power to appoint such officers as he thought fit, to control and dismiss them, and to pay them such salaries as he thought fit. As the names of some officers have been mentioned in connexion with the Department, let me say that Lieut.-Colonel Walker never consulted me as to the appointment of anybody. He consulted me only with regard

to the dismissal of one officer. It is true that when he sought the transfer of an officer from the main Repatriation Department, he did consult my convenience as to when that officer should leave the main Department. He never consulted me as to whether or not he should make any appointment from an office boy up to his chief of staff.

Honorable senators will pardon me for dwelling a little on this matter. They will see the reason for it later on. Section 5 of the War Service Homes Act of 1918 provides that—

(1) There shall be a Commissioner who shall, subject to the directions of the Minister, be responsible for the execution of this Act.

(2) The Commissioner shall be a body corporate by the name of the War Service Homes Commissioner, and shall have perpetual succession and a common seal, and be capable of suing and being sued, and shall, subject to this Act, have power to acquire, purchase, sell, lease, and hold lands, tenements, hereditaments, goods, chattels, and any other property for the purposes of this Act.

I intend to analyze these powers of the Commissioner. He could acquire what land he liked subject to two reservations. He had to obtain the Minister's consent for land sought to be acquired that was public land, such as roads, and so on, and he had to obtain the consent of the Minister where the land sought to be acquired exceeded in value £5,000. Within those two limits he could operate free from control in whatever way he thought fit. The limit of £5,000 in value did not apply to materials under the terms of the Act, and he could buy what material he pleased without reference to the Minister. Rightly or wrongly, Parliament invested him with that power.

Senator PRATTEN.—Did not the point crop up in the course of the debate on the Bill, and did not the Minister accept the same responsibility as to value with regard to everything?

Senator E. D. MILLEN.—Many points cropped up; but I am entitled to assume that a Bill as it leaves Parliament contains the will of Parliament. I do not say that it expresses the unanimous opinion of Parliament, but that does not matter, and the fact is that the Act from which I have quoted was passed by majorities in both Houses of this Parliament.

Senator PRATTEN.—I have some recollection of the point cropping up in connexion with large expenditure for any purpose.

Senator E. D. MILLEN.—I have no doubt that it was discussed in the Senate.

Senator PRATTEN.—And the Minister, I think, accepted some responsibility.

Senator E. D. MILLEN.—What responsibility? The Minister accepted responsibility for assenting to the purchase of land of over £5,000 in value.

Senator PRATTEN.—I think that his responsibility went further than that.

Senator E. D. MILLEN.—I shall be glad if the honorable senator can show that to me in the section I have quoted from the Act.

Senator PRATTEN.—I am speaking of the debate on the Bill, and not of the Act.

Senator E. D. MILLEN.—I am not controlled by a debate, but I am by an Act of the Parliament. Some honorable senators might, in the course of the debate on the Bill, have urged the view suggested in the honorable senator's interjection, but after hearing that view Parliament ultimately decided to give the War Service Homes Commissioner the power to which I have referred. It did not place upon him any restriction with respect to the value of materials which he might purchase. That was done in a subsequent measure, when from experience I had seen the wisdom of placing upon the Commissioner a restriction with regard to the purchase of material of the value of £5,000, similar to that we had placed upon him in regard to the purchase of land of that value.

Lieut.-Colonel Walker was given power under the original Act to build War Service Homes by contract or by day labour. Section 17 of the Act reads—

The Commissioner may erect dwelling-houses on land acquired for the purposes of this Act, or may enter into contracts for the erection of dwelling-houses on land so acquired.

Parliament there deliberately gave the Commissioner the choice of either method, and in doing so absolved the Minister of responsibility for the course which the Commissioner decided to adopt. The Commissioner under the Act was responsible for administration, and the Minister was responsible only for policy. I want to draw a clear distinction between the two things, and honorable senators as parliamentarians will appreciate the difference between them. If the administration proved to

be unsatisfactory, it is true that the Minister could step in and suspend or dismiss the Commissioner; but he could not interfere with the administration itself. I wish to deal with matters of policy first. The policy adopted, whether right or wrong, was fully placed before Parliament. Before the Bill was passed in the Senate or in another place, it was made clear that it was intended that the policy should include the purchase of land and materials in big parcels. The term I used on the occasion was "the purchase in a wholesale way." It contemplated group buildings, and the making of an agreement with approved institutions for carrying out the purposes of the Act. In consequence of that provision, the agreement was tabled here and in another place, and no exception was taken to it. There may have been one or two voices raised in criticism, but Parliament did not take action to nullify the agreement, and to that extent Parliament became as responsible for it as was the Minister.

I am assuming to-night that administration rather than policy is under review, and that brings me to this point: I say that the Minister had no control over the administration so long as he knew that it was going on satisfactorily. He could not be held responsible for mistakes of officers, for their wilful disobedience of orders, or their supply to him of wrong information. He could, and would be responsible if, having discovered these things to have taken place, he failed to take steps to prevent their repetition. That is the way in which I interpreted my responsibility for administration.

Before the Government or I, as Minister, knew that anything was wrong in the matter of administration, I commenced to feel it. One may get an uneasy feeling that things are wrong, and yet be unable to find sufficient evidence to justify the removal of an important officer like the War Service Homes Commissioner. Feeling that things were not as they ought to be, I took steps to cause an inquiry to be made into the work of the Department. I appointed a well-known Sydney accountant to inquire into the Department from top to bottom, so that he might be in a position to tell me what was wrong, and the way to put it right. That appointment was made in July of last year.

Afterwards, when I was away from the Commonwealth, evidence accumulating that things were not proceeding as satisfactorily as could be desired, the Government supplemented my action by the appointment of an Advisory Board, with General McCay at the head, that was empowered to go into the Department and speed up inquiries into the various branches of the administration. That Advisory Board is still in existence. The responsibility was upon the Government and the Minister to take steps to put right what was believed to be wrong with the administration, and they accepted that responsibility. The result of the inquiries referred to are before the Government, but they have not enabled us to arrive at a final decision in regard to all matters. They have, however, enabled us to decide that in re-organizing the Department we shall get back to the contract system—that we shall eliminate the system under which the Commissioner has been his own builder. We intend to revert to the contract system, both as to building and as to the purchase of materials. In other words, we shall go out of the building business, and bring the War Service Homes Department more into line with what may be regarded as a building society.

Senator DUNCAN.—Then the Department will dispose of its present stocks by public auction?

Senator E. D. MILLEN.—No. If we did that, and placed upon the market the very considerable stocks which are now in existence we should be inviting certain loss. But it is possible to avoid that loss by passing gradually from one system to another. Moreover, it is a very reasonable proposition that in calling for tenders for the erection of future houses we should require the contractors to draw their supplies from us, providing that we can furnish them with those supplies at the market price.

Senator DUNCAN.—Then what are the Government going to do with the timber areas which they have purchased?

Senator E. D. MILLEN.—I am dealing now with the future policy of the Department, and I ask the honorable senator to allow me to proceed in my own way. The Government will, by a gradual process of absorption, pass from the present system to the full contract system.

Senator WILSON.—The Department can enter into contracts for labour only, and may use its own material while it has any.

Senator E. D. MILLEN.—I have already said that we can require contractors to tender for the erection of houses, with a stipulation that they shall draw their supplies of timber from our depôts. We can either sell to them at the market price or allow them to reduce their tenders to the extent of the value of the material which is supplied to them by the Department. By that means we hope to minimize or avoid loss upon contracts which have already been entered into. As to the reorganization itself, the Government, whilst retaining in essence the principle of a Commissioner, with very considerable administrative powers, feel that the powers which were granted to the late Commissioner were far too wide. It is proposed, therefore, to circumscribe those powers very much indeed. As the powers of the Commissioner are curtailed it follows that the responsibility of the Minister will be increased. Increased responsibility requires increased power, for responsibility without power creates an entirely false position.

I wish now to say a few words in regard to the findings of the Public Accounts Committee. Those who have analyzed its report know that it refers to four principal matters. The first finding of the Committee is that land has been purchased with undue haste and rashness. The Committee condemns several purchases of land, and also several houses, upon the ground that they are faulty in construction and material. They further condemn the delay which has taken place in building, as it has added to the cost of the buildings when erected.

Senator THOMAS.—Were the houses which they condemned built by contract or by day labour?

Senator E. D. MILLEN.—I am just coming to the figures. In regard to the statement of the Public Accounts Committee that land has been purchased with undue haste and rashness, I wish to say that Mr. Earle, whose exact title in the Department I do not know, was sent by Lieut.-Colonel Walker to interview me in regard to land purchases towards the end of 1919. At that interview, certain propositions were put up to me, which I

thought were rather lavish, and, consequently, I gave Mr. Earle certain instructions which were to be followed. Those instructions were taken down in writing by him, and were duly forwarded to, and recorded in, the head office in Melbourne. This is the way in which his communication reads—

The Minister disapproves of very large areas being purchased owing to—

- (a) segregation,
- (b) the considerable time the property would be on our hands before complete development and the sale of homes. This means the Commissioner is burdened with large interest, rates, and overhead charges, which must be recharged, and makes the not immediately developed areas expensive.

The Minister considers the present estimation of our requirements too high, and does not approve of considerable land areas being purchased for anticipated requirements over and above our building capacity. No land should be purchased for more than our requirements for twelve months hence.

That was the policy which I laid down, and upon it I am open to be commended or condemned. I submit, however, that it was a fair, reasonable, sound, and cautious policy. Let us see what steps the War Service Homes Commissioner took to give effect to that policy. Only a few weeks later, the following instructions, for which Lieut.-Colonel Walker must accept full responsibility, were sent out to the Deputy Commissioners in the various States—

Land values in the vicinity of the Commission's building operations will undoubtedly increase considerably, therefore a resolute policy of land acquisition must be maintained, and land must be acquired in advance of requirements. On the lines indicated in statement in paragraph (F) a minimum programme of three years and a maximum of five years' acquisition should be effected in the very near future.

It will thus be seen that only a few weeks after I had laid down the policy that purchases were not to be made in excess of twelve months' requirements, instructions were issued to the deputies in the different States to buy up to three years, and even five years', requirements. Unless it can be assumed that I could watch every clerk, and see every document that went out of the office, I cannot be held responsible for a deliberate breach of the policy set out in such plain terms in the instructions which I gave to Mr. Earle.

The Public Accounts Committee have also condemned certain purchases of land,

and in the light of the information which is now available, their condemnation appears justified. Dealing with the least desirable estate to which they refer, namely, Roe's estate, its purchase was recommended by Mr. Earle, whose recommendation was indorsed by Mr. Goodwin, the Surveyor-General of the Commonwealth, a tried and trusted officer, who was in the Public Service of this country long before War Service Homes were even thought of. I have every confidence in that gentleman. He may have made mistakes, or he may have been misled, but he was the highest authority to whom I could turn to assist me in this matter. The recommendation of Mr. Earle was supported by the Surveyor-General, and indorsed by Lieut.-Colonel Walker. I approved it. What else could a Minister do in such circumstances? He could not run round and inspect the land himself. He could not make his own valuations. He must rely upon the reports of the expert officers who are attached to his Department. Unless the Minister could accomplish the impossible, there was only one thing for him to do when that report came before him. He had either to approve or reject it. We required land at the time, and I approved the purchase of this estate. In order to show the nature of the land, the purchase of which I was asked to approve, may I read the following report upon this estate?

Senator DUNCAN.—What estate is it?

Senator E. D. MILLEN.—It is Roe's estate, at Waratah, near Newcastle—the estate which has been chiefly condemned by the Public Accounts Committee.

Senator DUNCAN.—The one which is mostly under water?

Senator E. D. MILLEN.—It is subject to inundation. The report reads—

War Service Homes Commission
(N.S.W. Branch),
114a Pitt-street, Sydney,
17th November, 1919.

The Commissioner, Melbourne.

Roe's Subdivision, Waratah, Newcastle.

I beg to submit the above subdivision for purchase for immediate building operations.

I have made an inspection, and the property is four minutes from the Waratah railway station and four minutes from the Mayfield tram. Fares—railway, 5d., 4d.; tram, 3d.; and contains approximately 12½ acres, and is right in the centre of a large industrial area, with tram service, and is about 2½ miles from the G.P.O., Newcastle.

The property has been subdivided, all the roads constructed, blue metalled and gravelled, with footpaths, and have been taken over by the Municipal Council.

The land is excellent, good top, splendid bottom for building sites, level, well-drained, is very healthy, and is situated in a very popular residential and industrial area, self-contained.

In connexion with this subdivision, the vendor has also offered the seven blocks in Roe and Southern streets adjoining, and negotiations were opened for £8,500 for the total properties.

After subsequent interviews the vendor has now placed under offer to me the whole of the property for the sum of £8,100.

The area gives me a total of 3,728 feet frontage to roads, upon which we could enter into possession and commence immediate building operations. This price works out at approximately £2 3s. per foot. Although this is not cheap for our purpose, it compares very favourably with property in the vicinity. This subdivision is, without doubt, one of the best positions in Waratah, and much inferior land has recently been sold from £2 10s. to £3 per foot. As a good, sound, ready-to-build proposition, I do not think we could do better in order to expedite our immediate building operations. The subdivisional plan attached hereto shows the blocks averaging 39.7 feet each, consequently these blocks would cost the soldier applicants an average of £85 8s., which would be very reasonable for this class of property.

I have an option, and this offer remains open to me until the 20th instant.

Plan of the subdivision is attached hereto, and I recommend the property for purchase, viz., the subdivision and the seven blocks aforesaid, at a total price not exceeding £8,100.

Water, sewer, and gas mains are laid on, and electric light is available by giving due notice for connexion to the Council.

W. J. EARLE,
Supervising Engineer.

That is signed by W. J. Earle, supervising engineer, and underneath it is the following—

Having in view the prices paid for land in this locality, I am of opinion that the price asked is very reasonable. The streets are formed, and the land is ready for building on.

That is signed by J. T. H. Goodwin, Surveyor-General. That was the report which came to me with a recommendation from the Commissioner that the estate should be purchased.

Senator GUTHRIE.—Who is Mr. Earle, who made the report?

Senator E. D. MILLEN.—He was the supervising engineer of the War Service Homes Department.

Senator GUTHRIE.—Is he in the employ of the Government now?

Senator E. D. MILLEN.—Not of this Government.

Senator PRATTEN.—Is Mr. Goodwin still in the employ of the Government?

Senator E. D. MILLEN.—He is an old, trusted, and capable officer. In the light of that report, which apparently dealt satisfactorily with every point that one needed to consider, indorsed as it was by Mr. Goodwin and the Commissioner, there is not an honorable senator who would not have approved the purchase.

Senator WILSON.—Were there not other valuations?

Senator E. D. MILLEN.—Other valuations in addition to three—no.

Senator GUTHRIE.—Who was the vendor of the estate, and who were the agents?

Senator E. D. MILLEN.—I cannot say at the present moment. As a matter of fact, the names of the vendors are set out in the report of the Public Accounts Committee. Senator Wilson has asked if there were not more valuations of the property. If the reports of three officers to the Minister are not sufficient, how many ought we to have? It is true that in purchases involving bigger sums of money, private valuers were sometimes called in. The services of such firms as Messrs. Richardson and Wrench, of Sydney, were occasionally requisitioned. But in a purchase involving the sum of only £8,000, the Minister was surely entitled to say that the reports which he had received were ample warrant for his approval of it. James Roe appears in the Public Accounts Committee's report as representing the vendors. Another matter involving a sum of £26,000, was the purchase of what was known as Platt's Estate, at Newcastle. According to the Public Accounts Committee, there was nothing wrong with that block except that it was rather far distant from tram and train. It is situated at Mayfield, and the Australian Agricultural Company were the vendors. Its distance from tram and train was a disability; but let me point out the circumstances, which seemed to outweigh that disability. I cannot do better than read the report as submitted to me on that point—

The land is situated in a splendid locality, and constitutes good building allotments if subdivided. Huge industrial works are within a few minutes' walk, and further large works are to be erected in the vicinity. Water is

laid on along Maitland-road, but there is no sewerage system, although advantageous for same. Electric light could be extended on request to the City Council. The site is generally elevated and healthy, and lends itself admirably for residential development.

The position with regard to that block was that, although rather distant from train and tram, it was within a few minutes' walk of big industrial concerns. It is to the credit of the district of Newcastle that the number of recruits which it sent to the war was high, and the calculation as to the number of men who would be applicants, plus those who would become eligible as they married from day to day, indicated and justified the acquisition of an area there, there being nothing wrong with the block except its remoteness. I submit, therefore, that in view of the number of applicants and the proximity to the block to those industrial works, there was justification for purchasing it. Here, again, I purchased on the report of the three officers previously named.

I wish to deal now with a more serious matter. I mentioned that the Commissioner had power to purchase land up to the value of £5,000, and I want to put on record this incident to show what transpired in the Department. I mention it now because it was referred to in evidence given before the Public Accounts Committee in Hobart the other day. It was alleged that 35 acres of an estate there had been purchased by the War Service Homes Commission for £8,100, although only a few months ago the same sum had been paid for the whole estate of ninety odd acres. In giving these figures, I speak from memory. On reference to the file, I find that proposition was submitted to me, and that I sent it away on the ground that the information was not sufficient to admit of my coming to a decision on it. It never came to me again, but the land was purchased by the War Service Homes Commissioner in two parcels, and the fact that it was in two parcels brought the price of each parcel below the limit of £5,000 fixed by the Act. I ask the Senate if I am responsible for that?

Senator WILSON.—It is a disgraceful thing.

Senator E. D. MILLEN.—Honorable senators can form their own conclusions. I am only giving the facts, but I submit that no responsibility can attach to me

when action of that kind is taken behind my back, whatever the motives may have been, clearly in contravention of the spirit of the Act itself. That is not the only instance of that kind.

Senator FAIRBAIRN.—Cannot you prosecute them criminally if they rob the country?

Senator E. D. MILLEN.—I am dealing just now with matters in which it seemed to me that I was personally involved. I want to show what part I played, and where, so far as I can see, the responsibility does not rest on my shoulders. The Minister cannot be held responsible where improper transactions of that kind are carried through behind his back.

Let me take the next point referred to by the Public Accounts Committee. I want the Senate to understand that I am in no sense quarrelling with the findings of the Committee. Unfortunately I am bound to indorse much of what it has said. The next point is the matter of inferior houses. The Committee inspected and condemned forty-seven, and the press has so starred those forty-seven condemned dwellings that an impression has been created that they are typical of the work of the Department. I am confident that when the Committee reviews the work of the Department as a whole, as it probably will in its final report, it will be the first to repudiate the idea that those houses are typical of the whole of those constructed by the Department. May I point out that twenty-seven of the forty-seven condemned houses were built by the Commonwealth Bank, and twenty were built by the Commission. I do not want to suggest that, because the Bank has committed errors, it in any way exonerates the Department, but when a verdict is being passed, I am entitled to point out the proportion of inferior houses constructed under each authority. It appears to me that, whether intentionally or otherwise, a sort of effort has been made to create the impression that the Bank has done its work fairly well, but that in some way or other the whole of the houses built by the Commission are hopelessly inferior.

Senator DUNCAN.—What State were those condemned houses in?

Senator E. D. MILLEN.—I am dealing with the New South Wales report.

That is the only one made by the Committee so far.

Senator PRATTEN.—How did the proportion of inferior houses compare?

Senator E. D. MILLEN.—The percentage would be higher in the case of those built by the Commonwealth Bank than in those built by us. I am not seeking to suggest that the fact of the Bank making a mistake relieves the Department from any responsibility for faulty workmanship in its own case. The point I am making is that, because forty-seven houses out of the total built were found to be inferior, they must not be regarded as typical of the whole aggregate.

Senator PRATTEN.—Is it not rather a question of how many houses in all the Public Accounts Committee inspected?

Senator E. D. MILLEN.—Those are the only ones the Committee mentioned, and it viewed them because complaints regarding them had reached it. The total built or building in New South Wales—because some of the houses which the Committee inspected were not completed at that time—was 2,300, so that the number which the Committee condemned was less than 2 per cent. I admit that it is deplorable that even one house should have to be condemned; but it is a very different matter to say that only 2 per cent. have been proved hopelessly defective, as compared with the assumption that the defective houses are typical of the lot.

Senator PRATTEN.—Can we assume that all the rest are right?

Senator E. D. MILLEN.—That would be going to the other extreme, but I feel confident that the vast majority of the houses, whatever other criticisms may be directed against them, have been well and faithfully built according to the specifications submitted either to those in control of the day-labour system or to the contractors.

The Public Accounts Committee did not discover the defective houses to which I have referred. I do not want the Senate to think that the Department was blundering along without knowing the mistakes which had been made. The Department knew of them, and had already taken steps to correct as far as possible the defects which had been discovered. The Department had, with regard to the houses at Cessnock and

elsewhere, taken steps to remove the officers responsible, and they had been removed before the Committee's inspection. In addition, the Department had, at the contractor's expenses—for the bulk of those houses were being built by contract and not by day labour—proceeded to remedy the defects. Since the Public Accounts Committee were there, a report has been received which would indicate that the work of putting the defective buildings into as good order as possible is practically completed, and that many of the men for whom they were built have notified their satisfaction and their willingness to occupy them.

Senator DUNCAN.—Has any compensation been given to the soldiers for the time they were kept out of occupation of the cottages owing to defective work?

Senator E. D. MILLEN.—I have never found that a landlord would pay me compensation because his house was not ready for me to go into. There has been no guarantee, nor could there be any, as to the time at which the soldiers would be able to go into the houses. I can sympathize with soldiers who have been kept waiting, but when you have 17,000 applications, and each applicant wants his house next week, it is impossible to satisfy them all, and somebody has to wait. It is a physical impossibility to build 17,000 homes within a few months.

Senator DUNCAN.—I understand that some of the soldiers had to get out while repairs were being made.

Senator E. D. MILLEN.—I cannot answer that question, but I doubt if that happened in more than an isolated case or two. I believe some occupants had to get out at Goulburn, but those houses were built by the Bank, and were not taken over by the Department until all the defects were put right; that is, if they have been taken over yet.

Senator PRATTEN.—Is 17,000 the total number of applications that have been received for the building of houses to date?

Senator E. D. MILLEN.—I do not know that those figures are up to date. There were 17,000 applications in some time ago. Whether the number has been increased or decreased, or whether the number who have been supplied has to be deducted or not, I cannot say.

Senator PRATTEN.—May we reasonably assume that that would approximately be the extent of the Department's activities?

Senator E. D. MILLEN.—You cannot say that, because every day soldiers are getting married, and as they marry they become eligible. Many do not even wait until they are married, but make application to us, saying, "We intend to marry."

Senator FAIRBAIRN.—Were those defective houses put right at the expense of the contractor?

Senator E. D. MILLEN.—In the case of those built by contract, yes. Those built by day labour were put right at the expense of the Department, so that the charge will not fall upon the soldier.

As regards defective houses, it is stated in the report of the Public Accounts Committee that Mr. Keesing, honorary architect of the New South Wales branch of the Soldiers League, stated in evidence that he had found that the houses now being built by the Commission were of excellent construction. I submit that that evidence is worth something, because that gentleman, who is a professional architect, was appointed by the Soldiers League to watch the interests of the soldiers.

Another point which the Committee stresses is the delay in building, and the fact of this delay, seeing that interest charges had to be added, increasing very much the cost to the future occupant of the home. That is admitted and regretted, but it seems to me that it is entirely due to the imperfect organization which the Department had created for supervising its day-labour operations. Day labour may be, and I believe in certain circumstances can be, used very effectively, but it is absolutely essential to have over it the most complete and well-keyed-up controlling organization. That was entirely absent in the case of the War Service Homes. I have mentioned that day labour is to be abandoned.

Senator PRATTEN.—Will the Department penalize the soldiers for the extra expense incurred owing to the want of organization?

Senator E. D. MILLEN.—If the honorable senator means cases where the cost has gone beyond the statutory limit, the reply is that except where soldiers have themselves been responsible for the amount being exceeded by asking for additions, or where they have agreed to accept the house within a certain limit, broadly speaking, the Government propose to shoulder that loss.

I turn now to another aspect of this matter. When the Commissioner first took office, and in conformity with the policy of the Government announced when I presented the Bill to this Chamber, the Commissioner then set about assembling supplies for the work. It was quite clear at that time that the market was short of building materials. The Commissioner endeavoured to obtain these through the ordinary channels, expecting, of course, some reasonable concessions from those who were in a position to contract for the supply of timber, bricks, and other materials for building purposes; but he found it practically impossible to get supplies in any guaranteed quantities, or at anything like a reasonable concession on market rates. So much is admitted in the earlier report of the Committee to which I have referred. He was, at the same time, severely criticised by the associated builders of this city and of Sydney for seeking to enter an already denuded and barren market for building material.

Senator GUTHRIE.—Was there an artificial shortage at that time?

Senator E. D. MILLEN.—I do not know. The Commissioner, at all events, was unable to obtain his supplies under the ordinary contract system, and, as a consequence, he entered into negotiations for the purchase of the timber areas to which Senator Duncan has made reference. I direct attention to the fact that the Commissioner entered into negotiations for the purchase of many of these things before, by accident, I learned of them at all. I want to stress that point, because it was apparent that the Commissioner, by entering into these long-distance contracts without the knowledge of the Minister, little understood what was due to the Minister. It was, as I have stated, only by accident I learned that these negotiations were in progress. The first contract had been completed before I heard of it, and to have broken it would have involved the Government in legal action. After I learned of these things, I took the matter to Cabinet, and Cabinet agreed that I should go on, subject to my satisfying myself that each contract was a sound business proposition.

It is necessary that I should refer now to the building programme of the Depart-

ment. The amount set aside for the purchase of houses already erected was £150,000; but, instead of following out this policy, the Commissioner purchased houses already erected to the extent of nearly £3,000,000. As a result of spending so much money in this way, he had on hand a great quantity of material for which there was no use. I want the Senate to understand this position. I hope I have made it quite clear.

Senator PAYNE.—That brought about a suspension of operations, I presume?

Senator E. D. MILLEN.—Yes. The Government are reviewing these contracts and making such adjustments as appear to be desirable in the circumstances. The action of the Commissioner in purchasing houses already erected, to the extent of nearly £3,000,000, was clearly a violation of the policy laid down by the Government. Many of these purchases were effected long before the Government knew anything about them. Contracts had been entered into, and the soldiers had frequently paid their deposit, so that there was only one thing to do in order to avoid losses to the soldiers, and that was to complete the purchases. This placed the Department in the position in which it finds itself to-day with regard to a super-abundance of supplies and an absence of funds.

Many of the houses built by the Commissioner exceeded the cost laid down in the Act. I refer to this matter, because I am, to some extent, involved in it, as on two or more occasions, when attending the opening of certain groups of cottages, I told those interested in the matter that the price fixed by the Department had not been exceeded. It is regrettable to know now that, in the case of 1,400 houses, the statutory limit has been exceeded by a total amount of £130,000.

Senator PRATTEN.—Were they built by day labour?

Senator E. D. MILLEN.—Yes. I refer to this matter because, as I have said, I made public statements regarding it, the first occasion being the opening of a group of cottages at Bell, in Victoria. But, before making any statement at all, I asked the Commissioner if he could tell me the cost of the houses, because I intended to make a public statement, and I did not wish to be bowled out the following week by the disclosure of some error

on the part of the Department. I requested him to carefully check the cost of each building, and then to get his accountant to verify his figures, so that I could be on perfectly safe ground. The figures supplied by the Commissioner were those which I used at the opening of the cottages at Bell. I followed the same course at the opening of cottages at Bellmore, in Sydney. I regret now to find that the cost in each case exceeded the figures given to me by, I think, from £35 to £80. I want to emphasize, however, that I cannot be held responsible for inaccurate information given to me by my departmental officers; I cannot be expected to check the figures and the costing system of the Department. I discharged my responsibility when I took every reasonable precaution to get the most reliable information from the responsible officers of the Department. I mention this matter, because, to some extent, my veracity is involved. I asked Lieut.-Colonel Walker how he could give me the cost of these houses to a £10 note, and he said, "I can tell, to half-a-crown, the cost of every stick of timber that goes into these houses." I say, then, that, with such an assurance, I was perfectly justified in using the figures supplied to me. I regret, as much as any one else, that they were wrong, but I repudiate altogether the suggestion that, with any fairness, I can be held responsible for them.

The Act requires that once a year a report of the activities of the Department shall be made available to Parliament. That report is in course of preparation. I hope it will be available soon. In the meantime, I shall be pleased to give honorable senators any information at my disposal. Necessarily, it is not possible, in the brief summary which I have presented, to deal with all the matters that may properly find a place in the report to which I have referred.

Senator PRATTEN.—Will the Minister make it quite clear that soldiers will not be required to shoulder the extra cost of the houses that have exceeded the estimate?

Senator E. D. MILLEN.—I have already pointed out that where the extra cost is the fault of the Department, the soldier will not be charged the extra amount; but, in cases where a soldier

entered into an understanding with regard to excess costs, it is fair to ask him to stand up to his bargain. In no case will the soldier be penalized through any default of the Department.

Senator PRATTEN.—That is to say, where a soldier has contracted to pay £800 for a house, if it costs more, the Government will shoulder the extra cost?

Senator E. D. MILLEN.—Yes, unless the extra cost has been incurred with the concurrence and approval of the soldier himself.

Senator SENIOR (South Australia) [9.15].—I have had occasion during the last two weeks to make inquiries concerning the position of officers who were transferred from the South Australian State Service to the Commonwealth Service. Honorable senators may think that these inquiries have been prompted by the decision recently given in the High Court, relating to a long-standing grievance of transferred officers. The present position has caused a good deal of hardship to a great number of public servants who were originally members of the South Australian Public Service. At present many Commonwealth officers are receiving notices from Commonwealth Departments that they are to retire in a short period because they have reached a certain age. I was anxious to receive a definite reply from the Government—although I do not wish to press the matter unnecessarily—and I asked the Leader of the Government in the Senate (Senator E. D. Millen) to immediately consider the position in which these men are placed. Although quite a number have been notified that they are shortly to retire, according to a recent decision of the High Court, these officers should be allowed to continue in the Service for another five years. Apart from the fact that their period of service has been reduced by five years, officers transferred from South Australia have had to suffer a considerable reduction in salary and in the matter of furlough. According to the decision of the High Court, the Government will be called upon to make up the value of the difference between the time when they were retired and when they would have been called upon to retire had they remained in the service of the State. In one instance an officer who was in the Commonwealth Public Service was called

upon to retire, and after doing so re-entered the State Service, where he is today occupying a fairly remunerative position. This shows conclusively that the position has not been created since they were transferred, but that the policy is still in existence. This matter should be settled as early as possible, because it is of the utmost consequence to those who are being called upon to terminate their service. For the information of honorable senators I shall quote the case of a postmaster at Port Adelaide, who was an officer of the third class, receiving a nominal salary of £310. I am sorry Senator Thomas is not present, because, when I have stated on previous occasions that transferred officers had to submit to a reduction, he said that my statement was incorrect, because their salaries had been increased. The officer in question was in receipt of a definite salary of £310 per annum, in addition to which he received allowances covering house rent and light, which could not reasonably be estimated at less than £80 a year. He conducted the Savings Bank agency, which returned £150 per annum, and he was also Registrar of Births, Deaths, and Marriages, for which he received a fee of 2s. 6d. for each registration, which would represent, perhaps, £100 or £150 a year. In addition to selling stamps in the local office, he distributed them throughout the district on a 2½ per cent. commission basis, which returned about £100. These allowances totalled about £480, and he thus received £790 per annum. If he had remained in the State Service this income would have continued for another five years, that is, until he was seventy years of age. Senator Thomas has said that the salaries of transferred officers were increased, and in this case the officer's salary was raised from £310 to £410, but in consequence of the deductions which were made in respect to allowances he received £300 less. That is an Irishman's rise. This gentleman is now deceased, and his widow has to suffer in consequence of the loss of salary.

I know of another similar case where the sons, after the father's death, joined the Australian Imperial Force and served abroad. The mother, in a communication, estimates that the loss to her husband in salary was at least £400, and over a period of five years, after making certain deductions, it would approximate £1,800. Notwithstanding the decision recently

given by the High Court, certain public servants are now being notified that their period of service must terminate when they reach sixty-five years. One estimable officer, occupying a prominent position in the Postal Department in Adelaide, in a fortnight's time, according to the notice he has received, will have to retire. I know that the Government cannot rush this matter through at a moment's notice; but I do not think I am asking too much when I suggest that the notices to retire should have been withheld and the men allowed to return to their positions after their furlough had expired until a definite decision had been reached. Circumstances such as these must create dissatisfaction and discontent, and public servants cannot help feeling that the Government are not doing what they expect them to do, and that is to act promptly. The law that applies to the servants should also apply to the masters. The decision of the High Court affects not only South Australia, but also officers who were transferred from Tasmania. Officers in the Postal Department were assured by the then Postmaster-General that their accruing rights would be retained, and on that basis many of them supported Federation. Although the promise was not in proper legal form, the obligation still rests upon the Government to carry out the promise. The High Court has decided that these men's claims are justified, and I do not think that officers who have rendered satisfactory service, and who transferred on the distinct understanding, should be held between heaven and earth in this manner.

Question resolved in the affirmative.

Bill read a first time.

SECOND READING.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [9.30].—I move—

That this Bill be now read a second time. I should like to direct attention briefly to a few of the matters dealt with in the Bill. It is a Supply Bill, and the amount asked for is £4,903,879. This amount, added to the amount of the previous Supply granted, will enable payments to be made up to 30th September next. Omitting special payments, the position is that the total of the two Bills will amount to £7,620,803. From this must

be deducted interest and sinking fund payable to the British Government, £1,319,881; Treasurer's Advance, £1,500,000; and arrears of overseas mails, £200,000. The difference between the total of these items and the total of the two Supply Bills—the previous Bill and the one with which we are now dealing—leaves us for ordinary items a total of £4,600,922. One-fourth of the annual votes for 1920-21, other than votes for Treasurer's Advance and interest due to the British Government, represents £6,018,139, so that the amount actually asked for now for ordinary services represents £1,417,217 less than the proportion of the votes for the corresponding period of last year. The interest and sinking fund to which I have made reference are due under a definite arrangement which was completed between Mr. Chamberlain and myself in the early part of this year.

A few figures in reference to the financial position of the Treasurer may be of interest to honorable senators. The revenue surplus brought forward from 1919-20 amounted to £5,747,000. The Budget estimate of surplus at the close of the year ending 30th June last was £240,000. The actual surplus was £6,631,000, or £6,391,000 more than was anticipated. It will be seen that the surplus with which the last financial year was commenced was not only kept intact, but £1,000,000 was added to it as a result of the receipt of a greater revenue than was anticipated, as well as of large savings effected by the Government.

The revenue receipts were greater than the estimate by £2,161,000. The chief items of increase were Customs and Excise, £3,876,000; income tax, £751,000; entertainments tax, £300,000; and "miscellaneous," £394,000. The chief items of decrease were Post Office, £933,000, and war-time profits tax, £1,916,000.

Senator PAYNE.—Are we likely to get in any of the war-time profits tax?

Senator E. D. MILLEN.—The figure I have mentioned is the amount by which the revenue from this source was less than the Treasurer anticipated to receive, but that amount is left outstanding to come in this year.

Senator PAYNE.—Is this an actual amount or an estimate?

Senator E. D. MILLEN.—It is, of course, an estimate until it is received.

The expenditure out of revenue was less than the Budget estimate by £4,252,000; £713,000 being for ordinary services, and £3,539,000 on account of war services. That is considered satisfactory in view of the very drastic cutting down of the Estimates before presentation to Parliament, and of the fact that the Government had to meet basic wage and Court awards not contemplated at the time the Budget statement was made. I think I may stress the fact that the expenditure, during the financial year, was £4,252,000 less than the amount approved by Parliament.

The expenditure for additions, new works, and buildings chargeable to revenue was less than the estimate by £970,000. The savings on war services chargeable to revenue were under the heading of the Australian Imperial Force £1,447,000, repatriation £1,135,000, and interest on loans £668,000. The total expenditure, namely, payments out of revenue, war loan, and works loan, for which the Budget estimate was £98,864,000, was actually £92,869,000, representing a saving as compared with the estimate of £5,995,000. In addition, £2,710,000 was paid in cash for war gratuities.

Coming to the accounts for the current financial year, it is not possible to speak definitely of the present year's figures at this stage. A fall in Customs revenue and income-tax revenue is likely.

Senator GUTHRIE.—It is an absolute certainty.

Senator E. D. MILLEN.—The Treasury, I remind the honorable senator, always uses moderate language.

Senator GUTHRIE.—On this occasion, it is wrong, because the shrinkage in revenue must be so enormous.

Senator E. D. MILLEN.—Then I may assume that the Treasury, in referring to the matter, does not speak in extravagant terms. Though the war-time profits tax nominally expired on the 30th of last month, there is outstanding a sum considerably over £2,000,000, which it is expected will be almost wholly collected this year. That answers the interjection which Senator Payne made just now.

As a set-off against the probable drop in revenue, it is anticipated that we shall be able to make large savings in expenditure. It is necessary to again draw attention to the bedrock expenditure in the shape of interest and sinking fund which will probably be increased this year, invalid and old-age pensions, maternity allowances, other statutory obligations, and the irreducible expenditure of running the Departments.

The expenditure out of War Loan Fund, mainly for soldier land settlement and War Service Homes, will be much below the amount expended last year. In connexion with Works Loan Fund, although efforts are being made to reduce the amount, a considerable reduction cannot be looked for, as it will be again necessary to provide about £3,000,000 to complete contracts for the construction of Commonwealth ships.

It is not possible to speak more definitely at present in regard to this year's figures, as the Estimates are still far from complete. It is necessary only to say that the Government, as they have always done, will keep down expenditure to the absolute minimum consistent with the efficient working of the Departments and to insure that the Government shall get 20 shillings of service for every £1 of expenditure.

I should like to add a word or two with respect to the public debt. The gross public debt on the 30th June, 1920, was £381,415,000. During the year 1920-21 just ended, the new debt created amounted to £38,472,000. From this must be deducted the debt redeemed during the year, including £2,000,000 reduction of estimates of war gratuity, and this represents £18,292,000. So that the increase of debt for the year 1920-21 was £20,180,000. This leaves the gross debt on the 30th June last at £401,595,000.

The net public debt may be arrived at by deducting from the above figures the amounts to be repaid to the Commonwealth in respect of the indebtedness of the States for soldier land settlement, War Service Homes, &c., which total £70,000,000, leaving approximately a net debt on the 30th June last of £331,595,000. The net public debt twelve months ago was £340,915,000.

The war loan expenditure of the last twelve months is almost wholly recoverable, and although the gross debt increased during that time by £20,180,000, the net debt has decreased by £9,320,000.

Senator GUTHRIE.—I draw attention to the state of the Senate. [Quorum formed.]

Senator E. D. MILLEN.—I should like to give honorable senators a few details of the headings under which the public debt was reduced. It was reduced by £7,780,524 by means of profits from the note issue. Northern Territory loans redeemed out of the Works Loan Fund represented £223,814. There were payments of accrued deferred pay, Australian Imperial Force, amounting to £245,280. Treasury-bills raised for war purposes in 1919-20, and redeemed out of revenue in 1920-21, amounted to £903,000. War gratuities were paid out of the War Loan Fund to the extent of £2,710,897. War savings certificates redeemed out of loans, sinking fund, and war loan securities repurchase account, represented £3,482,046. Inscribed stock and bonds, war issues surrendered in payment of estate duty and redeemed out of loans sinking fund, accounted for £946,310. The reduction in the original estimate in the cost of war gratuity represented £2,000,000. These figures give a total of £18,291,871.

I have rather hurriedly given headlines of certain features of the public finances of the country; and, on the whole, I think that the figures can be regarded as very much more gratifying than has been anticipated in view of the criticism of the administration of the Government by persons outside.

Senator DUNCAN (New South Wales) [9.41].—I have felt somewhat relieved after listening to the statement just delivered by the Minister for Repatriation (Senator E. D. Millen). It is indeed a pleasure to know that the finances of the Commonwealth are being placed on such a sound footing, as the honorable senator's statement would indicate to the critics of the Government and of Parliament who are so fond of talking of the extravagance of the present Administration. Since the discussion in another place on this Supply Bill, it has been interesting to notice that certain of the

daily press have, to a very large extent, changed their tune. For instance, in the daily press of Melbourne this morning the Government is congratulated upon its very fine handling of the finances of the Commonwealth. Those of us who have taken the trouble to make ourselves cognisant with the real financial position have known for a considerable time that the Government has been doing all it possibly could from the financial point of view. Nevertheless, critics of the Government outside have never lost an opportunity to endeavour to hold it up to the contumely of the public by suggesting that it has not paid that attention to the finances which their importance deserves. It is, therefore, indeed a pleasure to learn from the Minister for Repatriation that the finances of the country are in such a sound position, and that, so far as the future is concerned, it is not necessary that we should be so anxious regarding the financial situation as some persons would suggest.

There are one or two matters referred to in the Supply Bill to which I should like to refer at this stage. One was mentioned by the Minister. I refer to the question of soldier land settlement. There is quite a large sum of money set aside in this Bill for Repatriation purposes. It amounts to something like £544,000, and of this amount £520,000 is for payments in connexion with the expenses of repatriation. So far as the question of soldier land settlement is concerned, there has been for some months a dispute raging between the Treasurer of the Commonwealth and the Treasurer of New South Wales, with respect to the amount of money which is payable by the Commonwealth to that State for the purposes of repatriation. Whoever may be in the wrong, the sooner this unseemly squabble is ended, and some regard is paid to the interests of the men who are suffering by reason of its existence, the better it will be both for the Government of the Commonwealth and the Government of New South Wales. Whilst the squabble is in progress, our soldiers are being denied the opportunities which the people have decided they should get. It ought to be possible to bring these two Treasurers together, and for them to arrive at some basis of settlement in the interests of the soldiers, who are chiefly concerned. It is a distinct loss to the nation that these

Senator Duncan.

men, who would become producers if afforded the opportunity, are being prevented from doing so.

There are one or two other matters to which I think attention should be called. There is, for example, a question which is of interest, not merely to the people of New South Wales, but to those of the entire Commonwealth. The Bill contains no adequate provision for the carrying on of necessary works in the Federal Capital area.

Senator E. D. MILLEN.—This is not a Works Bill.

Senator DUNCAN.—I quite recognise that. It is a Bill which is intended to cover the costs of administration. The small amount of administration for which it provides in the Capital area shows that no great amount of work is being carried on there. It is some time since the Government promised that work at Canberra would be vigorously proceeded with. Yet in spite of that promise, very little is being done in that great national centre.

Senator WILSON.—That is much to the credit of the Government.

Senator DUNCAN.—This matter is regarded so seriously by the people of New South Wales that I cannot see anything looming on the political horizon which is so likely to smash the Government in the near future. I know the feeling which actuates a large number of members of this Parliament.

Senator GUTHRIE.—Does the honorable senator put Canberra before Australia?

Senator DUNCAN.—I put the fulfilment of pledges before the continuance in office of a Government which is not prepared to honour its pledges. People are growing tired of the shilly-shallying policy of the Government in regard to Canberra. Attention has already been called to this matter by various members of this Parliament. I view it so seriously, knowing the feeling of a great many members in respect of it, that I think it constitutes the greatest danger which the Government has to face if it is to continue in office.

Senator WILSON.—If that is the only thing which threatens them, they are safe for life.

Senator DUNCAN.—I do not think so. One political party is solidly prepared to proceed with works at the Federal Capital. Another section has just about

concluded that if something be not done immediately to honour the constitutional obligation of the Commonwealth to the people of New South Wales, some other Government ought to be afforded an opportunity of honouring it.

Senator E. D. MILLEN.—I think that is quite enough. The statement of the honorable senator is just about as near to a parliamentary threat as I have heard for a long time.

Senator DUNCAN.—It may be. But the statement was not made with the idea of exciting any commendation in New South Wales.

Senator WILSON.—The honorable senator will not get it anywhere else.

Senator DUNCAN.—I care nothing for commendation from elsewhere. What I am concerned about is the honouring of the obligation laid upon the Commonwealth Parliament by the Constitution which we are pledged to uphold.

Senator WILSON.—I came here absolutely opposed to the Federal Capital project.

Senator DUNCAN.—And there are other honorable senators who are not prepared to honour the pledge of the National party and the Government. That is why Ministers are able to back and fill upon this important national matter.

Senator BOLTON.—Cannot we wait another twenty years before incurring such a stupid expenditure?

Senator WILSON.—Make it forty years, when the money expended upon War Service Homes will have been returned.

Senator DUNCAN.—This discussion is valuable, as showing the length to which certain honorable senators are prepared to go in the matter of honouring the constitutional compact with the people of New South Wales. Senator Wilson would be one of the first to rise in wrath if some other honorable senator urged that the building of the North-South railway would constitute a national extravagance, and, therefore, ought not to be proceeded with.

Senator WILSON.—One work is a question of national development, whilst the other is a question of idle ornament.

Senator DUNCAN.—Of course, the honorable senator was bound to see a difference between the two things.

Senator E. D. MILLEN.—But it looks like a geographical difference.

Senator DUNCAN.—Precisely. We desire to build a national capital to which the eyes of Australia may turn; a home for the administration of this great Commonwealth; whilst Senator Wilson wishes to run two lines of rails across an arid, stony waste, which can never be profitably developed, and which in a few years will constitute an object lesson of what can be accomplished by a Parliament when it sets out to show how stupid it can be.

Senator BOLTON.—Canberra would not be a home, but a hiding place.

Senator E. D. MILLEN.—Then it would have its advantages.

Senator DUNCAN.—Senator Bolton has not been there. A visit to Canberra has previously resulted in a complete change of views on the part of certain honorable senators, who now recognise the wisdom of the Commission which recommended its selection.

Senator WILSON.—It is only a year or two since the rabbits left it.

Senator DUNCAN.—They went to South Australia, and one or two of them have since been elected to the Senate.

I congratulate the Government upon the financial position. They have exhibited the finest business acumen in administering the various Commonwealth Departments, although it was a sorry tale to which we listened to-night from the Minister for Repatriation (Senator E. D. Millen). Personally, I entirely acquit him of any blame, so far as that phase of his administration is concerned. But there is in it an object lesson for us. That object lesson should teach us that no very great amount of dependability can be placed upon departmental officers. Here were trusted Government officials, the remainder of the staff being business men. Yet, as the result of their maladministration, the Commonwealth has been mulcted in an expenditure of hundreds of thousands of pounds, which can never be recovered. Worse than that, the soldiers have been so humbugged over the whole business that thousands of them have been forced to make other arrangements to acquire homes for themselves. They have had to wait so long for the homes which they were to get from the Department that their hearts have been almost broken. These are matters which should give us cause for thought when, in the future, we come to consider whether we should place

any very great amount of reliance on departmental officers. To me it is an object lesson of the danger of divorcing departmental administration from parliamentary government. This Parliament deliberately took out of the hands of the Minister, and out of the hands of Parliament itself, the administration of the War Service Homes Department. It would not tolerate political interference with the administration of that Department. What has been the result? Had Parliament, through the Minister, retained control of the Department, had we required reports to be submitted to us from time to time, there would not have been this awful waste and muddle, and the returned soldiers, whose interests we are so anxious to serve, would have received a much better deal.

Senator DE LARGIE.—The politicians will be blamed for it all the same.

Senator DUNCAN.—That may be so, and the Government may be blamed for it, but it is no fault of theirs, unless it be for agreeing to hand over to the gentlemen who formed the War Service Homes Commission the management of such a great Department and the spending of so many millions of money, outside altogether of the control of Parliament. It is an object lesson to me, and never, so long as I remain in Parliament, will I consent to divorce departmental administration from parliamentary responsibility.

Senator BOLTON.—It shows the danger of nationalization.

Senator DUNCAN.—Perhaps it does. It shows, at any rate, that we can have Government interference run mad. It shows also that when Government Departments, freed from responsibility to Parliament, obtain control of any great enterprise, we can expect only muddle and extravagance in the Department, and consequent hardship to those in whose interests the Department ought to be administered. I again congratulate the Government on the financial position of the affairs of the Commonwealth, and I hope they will take such steps as will insure that never again shall we have the kind of thing that the Minister for Repatriation has drawn attention to to-night. I acquit him most willingly and fully of any complicity in the criminal negligence revealed in the report that he has made to Parliament to-night.

Senator GUTHRIE (Victoria) [10.3].—I wish to commiserate with the Minister for Repatriation (Senator E. D. Millen) on the sad statement of facts which he has had to place before the Senate. I feel that there is no *confrère* of the honorable senator who does not, so far as we know now, at any rate, entirely acquit him of blame. He seems to have taken every precaution that any Minister or business man could take. Nevertheless, Parliament is not going to be held blameless for this terrible blunder. To me, as a business man, it seems rather extraordinary that a gentleman of the name of Walker should have been selected, apparently a little hastily, and paid a salary of £1,500 per annum, with power to spend millions. The Minister seems on his own showing to have been, unfortunately for Australia, surrounded by a den of thieves. I am not well up in parliamentary procedure or tactics, but I should like to know if the Government contemplate prosecuting any vendors or agents, or any of their officers, for conspiracy to defraud, because it seems to me that there could not possibly have been such flagrant misappropriation of the people's money, by apparently a little coterie of men working together, unless there had been conspiracy to defraud. This is a very grave question, and such blunders have been committed that I am sure a great deal more will be heard of it.

I regret that, whilst the Minister has shown a supposed surplus of over £6,000,000 for the year ended 30th June last, those figures require a great deal of dissecting, which in a short debate at this late hour of the night we are not able to give them. I wish to impress on the Government the extreme gravity of the financial outlook and the urgency for economy. I have more than once stressed this, but cannot do it too often, because I know something of the trade of this country. I would impress on the Government the fact that, owing to the enormous depreciation in the value of everything that Australia produces, we are going to have a shrinkage in the value of our exports for the next two or three years of probably 50 per cent. as compared with the average of the last three years. With that huge decrease in the value of our exports, we shall have a corresponding decrease in the amount of

money that we have abroad to purchase with. Consequently, not only are the Government not going to have any material income tax to collect during the coming year—I understand that last year they collected £11,000,000—but they are going to have an enormous shrinkage also in the revenue from Customs. The Customs receipts have been unduly inflated by the fact that the importers ordered far more goods than they wanted, and these have been delivered to them by the manufacturers abroad during the last six months. The importers have had to pay duty on them, and the Customs revenue has been, in consequence, unnaturally swelled.

I am surprised, in view of the very grave financial outlook and the most urgent need for economy, that Senator Duncan should, at this most inopportune time, have brought up the question of building the bush capital. We all know that it was a compact, and that the work will have to be done some time. We also know that Canberra, after due investigation, has been selected as the site of the future capital; but how any honorable senator, in view of the extraordinarily grave financial outlook, can reprimand the Ministry at this time for not placing on the Estimates a sum of money to go on with the bush capital, is beyond my comprehension.

We are asked to-night to pass a Bill authorizing the expenditure of £5,000,000 for the next two months. I say emphatically that it is most unfair at this late hour for another place to send such a measure to the Senate, and to allow us only until to-morrow afternoon to debate item after item involving the expenditure of the people's money to that huge extent.

Senator RUSSELL.—That is a mistake. What you are discussing is the regular wages and salaries comprising the ordinary expenditure. There are no new votes in the Bill.

Senator GUTHRIE.—It is bad enough to know that, at a few moment's notice and without time to criticise properly, we are asked to pass a vote of £5,000,000.

Senator RUSSELL.—As another place is adjourning, we are asked to give a cheque for £5,000,000 for wages for the next two months.

Senator GUTHRIE.—I enter my protest against being asked to vote even two months' wages at such short notice,

without a fair opportunity of criticising the way the money is to be spent.

Senator PAYNE (Tasmania) [10.10].—It was gratifying to hear the reference made to the financial position by the Minister in charge of the Senate (Senator E. D. Millen). Brief as that statement was, it was sufficient to give us cause for congratulation that the financial year through which we have just passed has been satisfactory. I am agreeably surprised to find that the Treasurer's estimates have been considerably exceeded in many directions, and that revenue has flowed in in much larger amounts from certain sources than was anticipated. I give this portion of the Legislature credit to a certain extent for the position in which we find ourselves today. Last year honorable senators spoke very plainly about the necessity for conserving our sources of revenue and curtailing expenditure wherever possible, and in their wisdom rejected a proposal by which the Treasurer would be deprived of a large sum of money. I ascertain, from statements made by Ministers, that the Treasurer received during the last financial year £300,000 more from the entertainments tax than he anticipated when he prepared his Budget. That is a sum which he would not have received if a certain Bill had been passed by this Chamber, so that we can pat ourselves on the back, and claim that, as a House of review, we contributed to that extent to the present satisfactory financial position of the Commonwealth. We began the year with a surplus of £5,747,000, and the Treasurer estimated that he would have a very small surplus at the end of the year. The figures show that at the end of the year we had a surplus of £6,631,000, so that the actual surplus on the year's operations amounted to the very respectable sum of £884,000. We have reason to congratulate ourselves on such a satisfactory result. The Minister has spoken with regret of the fact that the Postal revenue during the financial year did not return the Treasurer the amount he anticipated by £933,000. If I remember rightly, it was the general opinion of this Chamber, when the Bill for the revision of the postal rates was submitted to us, that the same volume of correspondence could not reasonably be expected to pass through the Post Office under the heavier imposts as went

through that channel under the old charges. The figures for the year prove that that opinion was justified. That will account to a great extent for the fact that the Treasurer has received £933,000 less from that source than he estimated. I am glad to know from the Minister that the sum of nearly £2,000,000 still outstanding for war-time profits taxation will be received during this year, if the Treasurer's estimate is realized. We shall want all the money we can possibly get during the coming year, and I hope that those arrears will be realized.

Senator PAYNE.—Last year the Treasurer had to face an additional expenditure, due to the awards of the Arbitration Court and the adoption of the Basic Wage Commission's recommendations, of something like £600,000, and this year the amount will be in the vicinity of £1,000,000; the reason for the larger sum this year being that the awards operated for only portion of last year. Taking all these facts into consideration, and remembering also that we have been able to pay £2,710,000 in redemption of war gratuity bonds, there is every reason to feel satisfied with the result of the last financial year's operations. I notice that the Treasurer's speech referred to the additional revenue received owing to the transfer of the Notes Branch of the Commonwealth Bank, and that he has very properly applied the accumulated profits to the redemption of the public debt. I am glad that Senator Guthrie made some reference to the possibilities of the present financial year. Although it is probable that we shall not receive the amount which the Treasurer will estimate from the income tax, I think it will not be far short of the estimate, because it will not be levied upon income earned this year, but last year, when, although wool may have been lower in price, wheat was high. I agree with Senator Guthrie that we cannot expect such a large amount from Customs duties as we have enjoyed during the past year or two. A cursory examination of the Tariff must lead to this conclusion.

Senator VARDON.—We hope so; that is, if the Tariff is going to be effective.

Senator PAYNE.—From a Protectionist point of view, such a state of affairs will, no doubt, be satisfactory, because it will be evidence that the Tariff is effective; but we must realize that it

will be absolutely necessary for the Treasurer to place his hands upon a very large amount of revenue in order to meet the obligations of the Commonwealth. Where is that revenue to come from? If Senator Vardon's hopes are realized, revenue from Customs will be very much less this year.

Senator VARDON.—We are hoping that the income tax will balance it.

Senator PAYNE.—We can hardly hope for additional revenue from this source during the next few years.

Senator HENDERSON.—Do you mean to say that the Protective policy will decrease entirely the incomes of the people?

Senator PAYNE.—I do not want to be drawn into a debate upon the effects of the Tariff, but it is obvious that all expenditure must be kept within reasonable limits. Senator Guthrie's remarks were to the point when he urged honorable senators to insist upon economy in administration. We shall have to analyze very carefully all estimates of expenditure. I do not suggest, of course, that all expenditure should cease. Some expenditure is essential in the interests of the whole community. There has never been a time in our history when so much care should be exercised as at present and during the next few years.

Senator VARDON.—It would help us if the honorable senator would be specific.

Senator PAYNE.—I shall have an opportunity, a little later, to specify what items of expenditure I regard as essential, and what items may, in my opinion, be curtailed.

Senator THOMAS.—The Supply Bill was placed on the table at 6 or 7 o'clock, and we are expected to get it through by 3.30 to-morrow.

Senator PAYNE.—One honorable senator objected to rushing the Supply Bill through, but there was no other course open to the Government to-night. The Bill simply provides for the authorization of the requisite moneys to carry on the ordinary business of the Commonwealth during the next two months.

Senator THOMAS.—Then why discuss it at all?

Senator PAYNE.—I rose to express my gratification at the present financial position, but, as honorable senators are entitled to deal with any matter that may be referred to in the schedule, I wish now to bring under the notice of the Minister

a complaint made to me by a resident of the North-west Coast of Tasmania with regard to regulations of the Post and Telegraph Department relating to the use of telephones in any town or city. Subscribers, I understand, are entitled to the use of the telephone service without extra charge within a radius of 2 miles from the local post-office, but it appears that the unfortunate users of telephones in country districts, those people who happen to be beyond the 2-mile radius, have to pay mileage on the entire distance from the post-office. The gentleman who made the complaint to me lives 8 miles from Burnie, in Tasmania. He states he has to pay mileage on the full distance, whereas telephone users living within 2 miles of Burnie are not called upon to pay any mileage. His contention is that this is not fair, and that it does not encourage people to live outside the areas of towns. He claims that they should be on the same footing as those telephone subscribers living within the town area, and that he should only be charged mileage on 6 miles, instead of 8. I hope the Minister will make a note of this complaint, and convey it to the Postmaster-General.

Senator THOMAS.—That position ought to be altered.

Senator WILSON.—He is not 8 miles outside the area, and he should not pay on that distance.

Senator PAYNE.—He has applied to the departmental officers, and they tell him that they have no option but to charge him full mileage rates.

Debate (on motion by Senator WILSON) adjourned.

Senate adjourned at 10.30 p.m.

House of Representatives.

Thursday, 21 July, 1921.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 2.30 p.m., and read prayers.

TAXATION OF VISITORS.

Mr. MARKS.—Is the Treasurer aware that the Income Tax Department has levied income tax on three military

officers from the Netherlands, who came to Sydney in January last to purchase horses for remounts, and stayed in the State two and a half months? I understand that they were told that they could not leave Australia until they had paid a tax, or had given a guarantee for its payment, the total amount being under £6. Mr. George Kiss, an exporter of horses, who has been dealing with these officers for some years, says that the Netherlands Government strongly resents these pin pricks, and unless the grievance is remedied, a trade in horses which means the expenditure of thousands of pounds yearly will go from Australia to the Argentine.

Sir JOSEPH COOK.—We must not lose a business like that for the sake of £6. I shall look into the matter, and I think that a way out can be found.

WAR SERVICE HOMES COMMISSION.

PURCHASE OF LANDS.

Mr. CHARLTON.—Will the Minister representing the Minister for Repatriation lay on the table the papers connected with the purchase of the Roe's estate at Waratah and the King's Road estate at Adamstown?

Mr. RODGERS.—I shall be glad to do so.

CYCLONE WARNINGS.

Mr. BAMFORD.—As the Minister for Home and Territories has just returned from the North, he should be able to tell me whether the correspondence, which has been going on for nearly two years, about the provision of a radio station on the Willis group of islands to send out cyclone warnings, is to bring any practical results. A sum was placed on the Estimates for the last financial year, and I ask if anything will be on the Estimates for this year for the erection of a radio station on those islands.

Mr. POYNTON.—I do not know what is being done, but when I was at Townsville, on my way north, an officer of the Postmaster-General's Department was there to make an inspection. I do not know whether he has yet returned.

Mr. BAMFORD.—What about Mr. Malone?

Mr. POYNTON.—I think that was his name. He went out some distance from Townsville with a party of Townsville people, and I presume the inspection has now been made. I shall ascertain what has been done.

ELECTORAL REDISTRIBUTION.

Mr. PARKER MOLONEY.—Has the Government taken steps to re-distribute the electoral divisions? If not, is it proposed to take early action in this matter, and, if so, what is to be done?

Sir JOSEPH COOK.—I have already said that we are waiting for a certified report of the checked count. The moment it comes to hand we shall consider this matter.

SOLDIER SETTLEMENT.

Mr. CAMERON.—Is the Minister representing the Minister for Repatriation in a position to answer the questions that I asked on the 10th inst. regarding soldier settlement in the various States? If not, will he endeavour to reply to it before the House adjourns?

Mr. RODGERS.—I take it that the honorable member refers to his request for details about the cost of soldier settlement in each of the States. When his question was asked, instructions to supply the information were despatched to each of the States, and the replies have been received from all of the States but one. I hope to be able to give the honorable member to-morrow the information for which he asked, and if particulars concerning all the States are not available, I shall make known to him those then in hand.

PERSONAL EXPLANATION.

Mr. RODGERS.—In an otherwise comprehensive and correct report of my statement last night concerning the War Service Homes which appears in to-day's *Argus*, there occurs this passage—

These applicants had paid £58,384 in deposits, and, though the tribunal had found that the Ministry was either not legally or morally bound in these cases, it had accepted the recommendation of the tribunal, and relieved these payments from the forfeiture to which they would otherwise have been subject.

The reference is to a decision based on the recommendation of the Stinson tribunal, and the word "not" should have

been omitted. I ask the proprietors of the journal to correct the report in that particular. Obviously the Government would not accept responsibility for the payment of a sum of between £600,000 and £700,000 if it were not legally or morally bound to do so. The finding of the tribunal was that in some cases there was a legal responsibility, and that in other cases, where there was not a definite legal responsibility, there was a very strong moral responsibility.

MR. FRANCIS BIRTLES.

Dr. MALONEY.—I have received a telegram from my friend Nelson, in the Northern Territory, saying that one of the hero men of Australia—Birtles—is sick and penniless, and down and out, as the result of his recent accident. Can the Acting Prime Minister extend some kindness to him?

Mr. HECTOR LAMOND.—It would have been kinder of the honorable member to make this request privately.

Dr. MALONEY.—I am willing to help personally, and to put down as much as the honorable member will.

Sir JOSEPH COOK.—I shall look into the matter, and take care that Mr. Birtles is not left stranded.

PROPOSED LOAN.

Mr. RILEY.—Will the Acting Prime Minister let the House know the conditions under which he proposes to float a loan for £11,000,000?

Sir JOSEPH COOK.—I expected to be able to do that to-day. There are one or two little matters which have not yet been cleared up, but I hope to make the statement either later during this day or to-morrow morning.

COCKATOO ISLAND DOCKYARD.

RESUMPTION OF WORK.

Mr. RYAN.—With respect to the resumption of work at Cockatoo Island, I desire to know from the Minister for the Navy (Mr. Laird Smith) why activities have not been started on the *Mombah* and the cruiser *Adelaide*. If the Minister cannot give the reason, because of the particulars being outside his sphere of knowledge, or beyond his jurisdiction, can he say whether money has been made available by the Navy Board

for work to be resumed upon those two vessels?

Sir JOSEPH COOK.—I have the particulars.

Mr. RYAN.—Then I direct my question to the Acting Prime Minister. I have reliable information, contained in a telegram sent me from Sydney, to the effect that the Acting Prime Minister's answer to a question put by myself on Tuesday last was misleading.

Sir JOSEPH COOK.—I saw that in a press report.

Mr. RYAN.—I am informed that only 150 men have been started at Cockatoo Island, and that no work is being done on the *Mombah* or the *Adelaide*, or on the merchant ships. Is the Acting Prime Minister in a position to make a statement now?

Sir JOSEPH COOK.—I am afraid that there is not much use in my making statements. They are promptly contradicted and denied. However, I shall make another one.

Mr. RYAN.—That is right; go on making them. The people will believe you if you repeat them often enough.

Sir JOSEPH COOK.—Now, that is insulting. I have before me Mr. Mahony's statement, as reported in this morning's press. The honorable member for Dalley is having quite a good time at Cockatoo. The newspaper account states—

Mr. W. G. Mahony, M.P., on Wednesday stated that he had telegraphed to Mr. Ryan, M.P., denying the statement attributed to Sir Joseph Cook that 750 men had started work at Cockatoo. He said not 200 men had started, and that no work was being gone on with on the *Adelaide*, the *Mombah*, or the merchant ships. He had asked Mr. Ryan not to let Sir Joseph Cook bluff the House. A number of painters and dockers had been engaged for a day or two during the week, and had been thrown idle again. It was these men Sir Joseph Cook was counting when he said 750 men had been employed.

In the first place, I did not say that 750 men started work last week. I stated that 750 men were at work last week. The point is that there have never been less than 400 or 500 men employed at the Dock all along. The honorable member for Dalley and the honorable member for West Sydney (Mr. Ryan) say that there is nobody at work there.

Mr. RYAN.—I have never said that.

Sir JOSEPH COOK.—Mr. Mahony has.

Mr. RYAN.—Neither has the honorable member for Dalley said so. The Acting Prime Minister is under a misapprehension.

Sir JOSEPH COOK.—Then the honorable member will admit that there have been 400 or 500 men at work all the time at Cockatoo.

Mr. RYAN.—“E. and O.E.”!

Sir JOSEPH COOK.—And “n.e.i.” The facts are these: Immediately after noticing the press telegram, which I have just read, I rang up Mr. Brown this morning. That official is at Cockatoo Island Dockyard at this moment. Here are the particulars with which he furnished me over the wire: On the 19th July, 773 men were employed at Cockatoo Dock; on the 20th, 807 men were employed there, and on the 21st—that is, to-day—820 men are employed at Cockatoo Island Dock. These numbers do not include salaried staff, such as clerks, &c. That is the definite statement of the Officer in Charge of the work. He has informed me that fifty additional men have been called for to-day. Some days ago a number of men were written to, but they have neither replied nor started work. There are forty-three men on the *Mombah* to-day, and ninety on the *Adelaide*. It has been pointed out that there will never be the same number on those ships as previously, owing to the fact that the vessels are nearing completion. Further, the work which has to be done now is more of a special nature, and some difficulty is being experienced in obtaining men with the necessary qualifications. I refer to such work as electrical installations of a delicate character. There are no vessels in the Dock at present. If a vessel is docked it will be possible to put a large number of men on. If the work is not there, however, the men cannot be put on. If honorable members intend to have these men employed they had better get somebody to put a ship into the Dock. I take it that honorable members do not expect the Government to put the men on if there is no work at the Dock for them. With regard to the merchant ships, difficulty has been experienced with the boiler makers, in connexion with an agreement concerning

piece-work. I understand that there is to be a Conference this afternoon to deal with the matter. Until a piece-work agreement is arrived at, work will not be commenced. The total amount paid in wages last week was £3,225. This week it is anticipated that the sum will amount to £3,300. Those are the complete particulars, given me over the telephone this morning. The issue, therefore, is between the honorable member for Dalley and Mr. Brown. The honorable member may know better than the Dockyard official. I cannot say. But the facts are as I have just related them.

NEW HEBRIDES MAIL CONTRACT.

Mr. WEST.—Some weeks ago, I asked the Acting Prime Minister if tenders were to be called for a new mail service to the New Hebrides. Has anything been done in this matter? If tenders have not been invited, has the contract for the conveyance of mails been given to the firm which previously had the contract, but without the formality of tenders being called for?

Sir JOSEPH COOK.—My impression is that what has been done has been to extend the contract for another twelve months. The Government cannot make long contracts in connexion with a matter which is only just at the inaugural stage of its development. Under the new order of things in the Mandated Territories, the Government may be compelled to re-arrange the whole of the services to the Islands, with a view to improving them. At the present, it is proposed to continue the present services—but upon an improved basis—for another twelve months, and with an increased subsidy.

Mr. WEST.—The chief customers in respect of the Island services are the Government themselves. They have their own vessels lying idle and, at the same time, are paying from £40,000 to £60,000 per annum to a private company for the conveyance of mails. Is that good business?

Sir JOSEPH COOK.—The Commonwealth vessels are not quite the class of ship for this particular work. However, I shall look into the whole matter. Meantime, the facts are as I have stated.

ORDER OF BUSINESS.

Mr. RYAN.—Will the Acting Prime Minister state what business the Government propose to ask the House to deal with before going into temporary recess to-morrow? When the right honorable gentleman was speaking yesterday he read a cablegram from the Prime Minister (Mr. Hughes), and the honorable member for Balaclava (Mr. Watt) asked by way of interjection whether the right honorable gentleman would place upon the table the cable sent from here to which the Prime Minister's message was a reply. I now ask the Acting Prime Minister whether he will table the cablegram sent to the Prime Minister?

Sir JOSEPH COOK.—I will not subscribe to the doctrine that I must place all our cables on the table.

Mr. FLAKELEY.—Is the honorable gentleman ashamed of this one?

Sir JOSEPH COOK.—I am not; there is nothing in it to be ashamed of.

Mr. CONSIDINE.—That is no reason why it should not be produced.

Sir JOSEPH COOK.—Here is another international diplomat! I said yesterday, in reply to the honorable member for Balaclava, that before consenting to table the cablegram sent to the Prime Minister I would look through it. I have not had time to look through any cables this morning, because I have been busily engaged otherwise. Before I can promise to lay any document on the table I must see what it contains. Honorable members may make up their minds that the affairs of the world cannot be conducted by tabling every cablegram that passes to and fro between Governments and Ministers.

In regard to the order of business, we shall proceed to-day, as arranged yesterday, with the Supply Bill till 5 o'clock. The Leaders of the parties have promised to give us Supply at that hour, and that will enable the Senate to deal with the Bill and return it to this House before we adjourn to-morrow. After the Supply Bill is disposed of, an opportunity will be given for the further consideration of War Service Homes matters. The Minister for Trade and Customs is anxious to get passed a Bill authorizing the continuance for twelve months longer of the bounty on the protection of shale oil.

Mr. McWILLIAMS.—Why for twelve months only?

Sir JOSEPH COOK.—We have some bounty money unallocated, but the period in which the allocation can be made has elapsed. We propose to continue the bounty for another twelve months so that we may apply the unexpended balance to the purpose for which the House voted it, and during that time we hope to review the whole situation with a view to sketching a further programme in regard to the very important question of developing oil resources in Australia. Then there will be some motions to refer proposed works to the Public Works Committee, and a little Bill which the Postmaster-General desires to get passed dealing with the payments to the State railways for mail services. I understand, also, that the honorable member for Dampier (Mr. Gregory) desires to make a proposal to the House.

Mr. CHARLTON.—That will be in October next.

Mr. JOWETT.—The Government do not propose to go on with the Industries Preservation Bill?

Sir JOSEPH COOK.—We shall do as much as we can possibly do by to-morrow afternoon. I am afraid that the Industries Preservation Bill has had all the run that it can have until we have dealt with the other business I have indicated. In the meantime, I am sure the Minister for Trade and Customs will set to work upon that Bill, and he will have a little time to read the criticisms offered by honorable members, particularly the honorable member for Grampians (Mr. Jowett); later on, we may be able to compose the differences of opinion that have been revealed.

Mr. RYAN.—We could give the honorable member for Dampier leave to make a personal explanation about his vote on my amendment yesterday relating to the Wheat Pool.

Sir JOSEPH COOK.—I am quite sure that he could make a more intelligent explanation in regard to pooling than any statement I heard from the Opposition yesterday.

Mr. RYAN.—What about "the unthinking mob"?

Sir JOSEPH COOK.—I suppose the honorable member who used that expression was judging the mob by its leader; we cannot prevent men making these de-

ductions. However, we had better try to finish up our business for the time being in a good temper and with good-will, and I hope that some time between now and to-morrow afternoon the honorable member for Dampier will be able to have his say on the pooling question.

Mr. CHARLTON.—It will be after our trains leave if he does get an opportunity; he had his chance yesterday.

WHEAT POOL.

Mr. MATHEWS.—I read in this morning's newspaper that the honorable member for Dampier (Mr. Gregory) stated that his reason for turning down the farmers of Australia by not supporting the amendment moved yesterday in regard to the Wheat Pool was that his party had promised immunity to the Government until the return of the Prime Minister (Mr. Hughes). I ask the Acting Prime Minister—

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—It is not in order to found any question upon a vote of the House.

Mr. MATHEWS.—Well, I ask the Acting Prime Minister whether there is any compact between the Government and the Country party in regard to the business that should be placed before the House, and, if so, why was it made and when will it terminate?

Sir JOSEPH COOK.—I shall answer that question promptly and candidly. So far as I know much the same kind of undertaking was given by the Country party to the Government as was given on behalf of the Opposition by its Leader (Mr. Tudor), but the difference is that, notwithstanding what the Leader of the Opposition said—

Mr. GABB.—We would "boot" you tomorrow.

Sir JOSEPH COOK.—Quite so, despite what the Leader of the Opposition said.

Mr. PARKER MOLONEY.—The Leader of this party made no compact with the Government, and the right honorable gentleman knows that.

Sir JOSEPH COOK.—Honorable members opposite ask a question and then when I try to answer it they begin howling like dingoes. I ask them to kindly permit me to make a reply. I know that honorable members opposite do not like

what I am saying. I repeat that much the same sort of assurances were given by both parties, but from one party three motions of censure have emanated within a week.

Mr. BLAKELEY.—That is not true.

Sir JOSEPH COOK.—The honorable members of the other party have seen for themselves that they ought not to be trailed in the politics of any other party. I am only recording my impression from what I observe in the House. The honorable member for Dampier (Mr. Gregory) may have another explanation, but I have given my answer to the question that was asked.

Several honorable members interjecting,

Mr. DEPUTY SPEAKER.—I have on several occasions previously and again to-day asked honorable members to refrain from interjecting when Ministers are replying to questions. A question was asked of the Acting Prime Minister, and directly he rose to reply half-a-dozen other questions were fired at him from different parts of the House. I shall protect Ministers and others as far as I possibly can against these interruptions. But if the interjections continue I shall ask Ministers to refuse to answer questions.

PERSONAL EXPLANATIONS.

Mr. GREGORY.—I desire to make a personal explanation. In the first place, I wish to say that the question asked by the honorable member for Melbourne Ports (Mr. Mathews) entirely misrepresents the facts of the case. No such report as he has suggested has ever, so far as I know, appeared in the newspapers. As to any arrangement between the Country party and the Government, I think the facts stand clearly out to every honorable member of this Chamber. I was not aware of the intention of the Deputy Leader of the Opposition (Mr. Ryan) to move an amendment; and immediately he sat down I made a statement, showing my attitude on the question. I stated distinctly that I looked on the amendment as one amounting to a motion of want of confidence, and that, under those circumstances it was no part of the policy of this party to give support to such an

amendment—at the present time, anyhow.

Sir JOSEPH COOK.—The Deputy Leader of the Opposition is writing out another amendment now! You had better hurry up before he gets it in!

Mr. CONSIDINE.—Is the Acting Prime Minister in order in interrupting the Acting Leader of the Country party?

Mr. DEPUTY SPEAKER.—The Minister is not in order.

Sir JOSEPH COOK.—Then I apologize.

Mr. GREGORY.—Secondly, I made it quite clear that the Country party have no desire at the present time to put their trust, so far as country interests are concerned, in the hands of the party opposite.

Mr. RYAN.—I also desire to make a personal explanation. When the Acting Prime Minister (Sir Joseph Cook) was speaking, he suggested, if I apprehended aright what he said, that some arrangement had been made by the Leader of the Labour party—

Sir JOSEPH COOK.—I did not say “arrangement.”

Mr. RYAN.—But the right honorable gentleman suggested that the same thing had been done by the Leader of the Labour party as by the Leader of the Country party in respect of the absence of the Prime Minister in Great Britain. I wish to say that there is no truth whatever in the suggestion that there has been any arrangement, any immunity given, or anything of the kind, on the part of the Leader of this party, or any member of the party, with regard to the absence of the Prime Minister.

Mr. PARKER MOLONEY.—That is well known, too!

Mr. RYAN.—I am sure the Acting Prime Minister knows the fact; and I am surprised he should suggest that any such thing has been done. On the other hand, we know from an official statement publicly made by the Acting Leader of the Country party—

Mr. GREGORY.—By the Leader of the party.

Mr. RYAN.—It has been publicly stated that the Country party have made a definite arrangement to give immunity to the Prime Minister during his absence.

Mr. GREGORY.—Subject to certain conditions.

Mr. RYAN.—I do not think that statement was made in this Chamber.

Mr. GREGORY.—Oh, yes—it was made only in this Chamber.

Mr. RYAN.—I wish to make it clear that there is no arrangement of the kind—nothing in the nature of a truce—so far as the Labour party is concerned, and of that fact we have given ample evidence during the last few months.

Sir JOSEPH COOK.—Hear, hear!

Mr. RYAN.—On the other hand, it is well known that there is an arrangement for immunity, or a truce, between the Country party and the Government.

SALE OF AUSTRALIAN METALS.

NEGOTIATIONS WITH RUSSIA.

Mr. CONSIDINE.—Before the Prime Minister (Mr. Hughes) left for London, I drew his attention to a statement made by the Russian Trade Representative, to the effect that Russia was willing to take the whole of the output of Australian lead, zinc, and other metals, and to pay cash. In view of the Prime Minister's reply on that occasion, I desire to ask the Acting Prime Minister (Sir Joseph Cook) whether he has received any intimation since the Prime Minister arrived in London with regard to any transactions or negotiations connected with the sale of Australian metals.

Sir JOSEPH COOK.—I have had no communication of any kind on the subject.

PAPUA.

EMPLOYMENT OF ALIEN LABOUR.

Mr. BLAKELEY.—I desire to know from the Minister for Home and Territories whether, while he was in Papua, any representations were made to him with regard to the introduction of alien labour into the Territory, and, further, whether representations were made to him in favour of the issue of regulations which would make more readily available to planters the native labour now there.

Mr. POYNTON.—It is true that a deputation requested that certain Asiatic labour should be brought in for expert purposes, but neither at that deputation nor any other was any proposal made for any regulations to assist in the provision of native labour. On the contrary, nine-tenths of the men I met in connexion

with the plantation business were quite satisfied with the conditions. They can obtain quite the number of men they require, and on some of the biggest plantations those concerned have been able to do away with recruiting. Generally speaking, there is no complaint about the conditions of labour.

NEW GUINEA.

MANDATE ADMINISTRATION.

Mr. GREGORY.—When the House meets again, in September, does the Acting Prime Minister anticipate that the Government will be prepared with a complete and definite policy so far as New Guinea is concerned? What I mean is, something in the nature of civil law with full knowledge on the part of all concerned as to what their rights are in land settlement, mining, prospecting, and so forth—in fact, a complete Ordinance as to the administration of the mandated Territory.

Sir JOSEPH COOK.—Yes. I am afraid I shall not have time to make a rough statement to-morrow, but by the time we meet again I can promise the honorable member quite definitely that we shall be in a position to set forth the policy of the Government in the mandated Territory.

PRIME MINISTER'S LITIGATION.

Mr. FENTON.—For some months, or some years, litigation has been proceeding between Mertons and the Prime Minister of Australia. A statement was made the other day showing that £2,000 has been set down to meet the expenses of the Commonwealth in conducting this case. Can the Acting Prime Minister inform the House what stage the case stands at, and how much more money the Commonwealth will be mulct in before the litigation is settled?

Sir JOSEPH COOK.—I am sure I cannot tell the honorable member, but I hope there is no more money to be paid for any such purpose.

ROYAL NAVAL AND MILITARY COLLEGES.

Mr. BLAKELEY asked the Minister representing the Minister for Defence, upon notice—

Whether he will supply a return showing—
 1. The number on the Instructional Staff at Jervis Bay Naval College?
 2. The number of students at that institution?

3. The total cost for the years 1918, 1919, and 1920 at Duntroon College and Jervis Bay Naval College, respectively?

Sir GRANVILLE RYRIE.—The answers to the honorable member's questions are as follow:—

1. Thirty-three.
2. Eighty-five.

3. Royal Military College—	£
1918—Total cost .. .	63,012
Amount refunded by New Zealand Government on account of tuition of New Zealand cadets .. .	10,110
Cost to Commonwealth ..	52,902
1919—Total cost .. .	65,801
Amount refunded by New Zealand Government ..	11,164
Cost to Commonwealth ..	54,637
1920—Total cost .. .	62,368
Amount refunded by New Zealand Government ..	8,323
Cost to Commonwealth ..	54,045
Royal Australian Naval College—	£
1918-19 .. .	69,518
1919-20 .. .	71,855
1920-21 .. .	87,952

FRUIT CROP.

Mr. HILL asked the Minister for Trade and Customs, *upon notice*—

In view of the difficulties with which fruit-growers expect to be confronted in regard to marketing the coming fruit crop—

1. Has he made inquiries as to whether private enterprise can finance the purchase and manufacture of next season's canning crop?

2. If not, will he cause the necessary inquiries to be made, with a view to protecting the interests of the growers?

Mr. GREENE.—The answers to the honorable member's questions are as follows:—

1. If the honorable member will indicate the precise nature of the inquiries he desires made I will endeavour to obtain the information.

2. The Government will consider any proposals by the fruit-growers which they deem necessary to protect their interests.

SHIPBUILDING BOARD.

APPOINTMENT OF MR. FARQUHAR AS CHAIRMAN.

Mr. CUNNINGHAM asked the Minister in charge of Shipbuilding, *upon notice*—

1. Will he state the date when negotiations for the employment of Mr. Farquhar were

opened up, and what date were the negotiations completed?

2. Did he invite Mr. Farquhar to accept the position as Chairman of the Shipbuilding Board or did the application come from Mr. Farquhar?

3. Will he state what were the qualifications of Mr. Farquhar previous to his position with Messrs. Walkers Limited, Maryborough, Queensland, and did he previously occupy any position in England which included the management and supervision of a large staff of workmen?

4. What is the term of Mr. Farquhar's engagement, and what is the salary to be paid to him?

Mr. POYNTON.—The answers to the honorable member's questions are as follows:—

1. Negotiations were commenced about December, 1920, and completed about April, 1921.

2. Mr. Farquhar was invited to take the position of Chairman of the Shipbuilding Board.

3. Mr. Farquhar is a naval architect of high standing, and has been a member of the Institute of Naval Architects for many years. He is a practical shipbuilder of long experience, having managed and controlled large works. For sixteen years prior to coming to Australia he was manager and director of a large and important firm of shipbuilding and engineering contractors, who, in addition to other work, carried out large contracts for the British Admiralty and other Governments. During Mr. Farquhar's long association with the shipbuilding industry in England and Scotland he has successfully controlled large bodies of workmen.

4. Three years, at a salary of £3,000 per annum.

WAR EXPENDITURE BY THE DOMINIONS.

APPORTIONMENT OF INDEMNITY.

Mr. RYAN asked the Acting Prime Minister, *upon notice*—

Will he furnish a statement showing—

1. The total expenditure by the Dominion of Canada for war purposes during the late war?

2. The total expenditure by the Dominion of South Africa for war purposes during the late war?

3. The total expenditure by Australia for war purposes during the late war?

4. The amount of indemnity payable by the late enemy countries apportioned to—(a) Canada, (b) South Africa, and (c) Australia?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follows:—

1 and 2. I am not in possession of this information.

3. Approximately, £440,000,000.

4. I am not yet in a position to furnish the honorable member with this information.

EXPLOSIVES: TESTING STATION.

Mr. MATHEWS asked the Minister representing the Minister for Defence, upon notice—

Will he give the House an indication as to the Government's proposal in regard to the erecting of a test house for explosives; or what it is intended to do respecting the control of the manufacture of explosives in respect of the national welfare of the Commonwealth?

Sir GRANVILLE RYRIE.—The construction of a Research Laboratory for experimental work on explosives is being proceeded with, and completion is expected within twelve months. The provision of a Testing Station for commercial coal mining explosives is being considered. The question of controlling the explosives manufacturing industries has not been considered by the Defence Department, but that Department is engaged in preparing plans with a view to developing the manufacture of high explosives required for military use. The control of the manufacture of commercial explosives, however, comes within the province of the Department of Trade and Customs.

WAR SERVICE HOMES.**TIMBER AREAS: PURCHASE OF "TOPS."**

Mr. RILEY (for Dr. MALONEY) asked the Minister representing the Minister for Repatriation, upon notice—

1. Have the rights of the tops of timber on the properties lately owned by Mr. J. F. Brett and Laheys Ltd. been purchased by the War Service Homes Commission?
2. If so, what was the total price paid for such tops?

Mr. RODGERS.—The answers to the honorable member's questions are as follows:—

1. Yes.
2. £20,000.

COMMONWEALTH WOOLLEN MILLS.

Sir GRANVILLE RYRIE.—On the 15th July the honorable member for Corio (Mr. Lister) asked if it would not be possible to work a second shift at the Commonwealth Government Woollen Mills at North Geelong, in order to meet the orders of the Returned Sailors and Soldiers Imperial League of Australia for civilian tweed. I stated then that it was considered doubtful whether the employment of a second shift was advisable or possible. I am now able to furnish

the honorable member with the following information:—

The institution of a second shift at the Government Woollen Mills, North Geelong, is impracticable, for the reason that the looms are operated by female labour, which is not available for other than a day shift. The honorable member said, "Last year some 40,000 yards of tweed were supplied from the mills," and I wish to correct the erroneous impression which this statement is likely to make. Up to the 30th June, 1921, the mills supplied tweed to the Returned Soldiers League at the rate of 40,000 yards per month. As from the 1st July last, the quantity which the mill has undertaken to supply is 14,000 yards per month. It is hoped that it will be found practicable to issue from 15,000 to 20,000 yards per month, but the Department accepts no obligation beyond 14,000 yards per month.

COMMONWEALTH SAVINGS BANK.

Sir JOSEPH COOK.—On the 14th inst., the honorable member for Melbourne (Dr. Maloney) asked the following question:—

Will the Treasurer request the Governor of the Commonwealth Bank to consider the paying of interest on small sums in the Savings Bank, say, up to £200, at the same rate (less $\frac{1}{2}$ per cent. for expenses) as the Commonwealth pays to the foreign money-lender?

I communicated with the Governor of the Bank, who has now furnished the following reply:—

I would point out that moneys on deposit with the Savings Bank are withdrawable at call, and cannot, therefore, earn the same rate of interest as moneys which are placed in a definite loan for a fixed period. Furthermore, the Savings Bank depositors are quite satisfied with the rate of interest allowed, so long as they have the facility to withdraw the money on demand. This is evidenced by the continued increase in Savings Bank depositors' balances at this Bank.

SOLDIER SETTLEMENT IN SOUTH AUSTRALIA.

Mr. RODGERS.—On the 13th May last the honorable member for Adelaide (Mr. Blundell) asked the following questions:—

1. The number of soldiers settled on the land in South Australia?
2. The number of eligible soldiers waiting for land?
3. The area and price paid for land for soldier settlement?
4. The land available for immediate allotment?
5. Total amount advanced for stock, implements, fencing, &c.?

6. Number settled on re-purchased land?
7. Number settled on Crown lands?
8. Amount advanced by the Commonwealth to the State Government for land settlement?

I am now in a position to furnish the honorable member with the following information, supplied by the South Australian Government:—

1. The number of soldiers settled on the land in South Australia to 31st May, 1921, is 2,199, of which 317 were assisted as follows:—Mortgages discharged, 144; on own blocks, freehold, 67; share farmers, 66; private leases, 40. (See answers also to questions 6 and 7).

2. 2,732 men granted qualification certificates, but no up-to-date details are to hand as to the number who have lodged applications for settlement.

3. (a) The area to 31st May, 1921, 1,174,634 acres, and 639 square miles pastoral lands; (b) price paid for land for soldier settlement to 31st March, 1921, £2,781,865 6s. 2d.

4. The land available for immediate allotment, 194,922 acres.

5. Total amount advanced for stock, implements, fencing, &c., to 31st March, 1921, £515,382 7s. 2d.

6. Number settled on re-purchased land to 31st May, 1921, 1,239.

7. Number settled on Crown lands to 31st May, 1921, 643.

8. Amount advanced by the Commonwealth to the State Government for land settlement, £2,344,215 8s. 9d.

PAPER.

The following paper was presented:—

War Service Homes Act—Land acquired under, at East Maitland, New South Wales.

SUPPLY BILL (No. 2) 1921-22.

PRIME MINISTER'S ABSENCE: GOVERNMENT IMMUNITY FROM POLITICAL ACTION — COMMONWEALTH LINE OF STEAMERS: TASMANIAN AGENCY—NAVIGATION ACT: WIRELESS TELEGRAPHY—IMPERIAL CONFERENCE: CABLEGRAM FROM PRIME MINISTER—DISARMAMENT CONFERENCE—POSTAL AND TELEPHONE SERVICES—DISMISSAL OF LIFT-MAN—NAVAL AND MILITARY COLLEGES: EXPENDITURE—SOLDIER SETTLEMENT IN NEW SOUTH WALES—TELEGRAPH RATES—ADDING MACHINES IN POST OFFICES—DUPLICATION OF WORK IN GOVERNMENT DEPARTMENTS.

In Committee of Supply (Consideration resumed from 20th July, *vide* page 10367, on motion by Sir JOSEPH COOK):

That there be granted to His Majesty for or towards defraying the services of the year 1921-22 a sum not exceeding £4,903,879.

Mr. McWILLIAMS (Franklin) [3.17].—I do not intend to deal to-day with the administration of the War Service Homes Department. It would be ridiculous for the Committee to attempt on the eve of an adjournment of the House for some weeks to deal with what is, perhaps, the biggest question before the people of Australia at the present time. The statement made yesterday by the Minister (Mr. Rodgers) showed careful preparation, and it would be quite impossible at this stage to analyze the figures submitted by him to the Committee. Speaking entirely for myself, I prefer to discuss the administration of the War Service Homes Department after the period of immunity from attack granted by the Country party to the Government has passed, so that we shall be free to deal with it on its merits.

Mr. RODGERS.—So far as the administration of the War Service Homes Department is concerned, I personally claim no immunity, and have not asked for it.

Mr. McWILLIAMS.—That is so; but the honorable gentleman is aware that the Country party, rightly or wrongly, agreed to grant the Government immunity from attack for a certain period. I intend to honour that agreement in letter and in spirit. In a political experience extending over nearly a quarter of a century, this is the first time that I have granted immunity to a Government, and it will be the last. It was the promise of immunity given by this party that tied our hands last night. I do not think any honorable member will accuse me of lack of fairness and candour, and I say, therefore, that the amendment amounted to the moving of a vote of want of confidence in the Government. The Deputy Leader of the Opposition will himself admit that, when a proviso is sought to be added to a Supply motion, against the will of the Government, it must be accepted as a challenge.

Mr. RYAN.—If I admit so much, will the honorable member admit that the subject-matter of the amendment was sound?

Mr. McWILLIAMS.—I am content to place my position fairly before the House. If mistakes are made, we must stand by them, but, having consented to the Prime Minister going to England to

represent Australia, it would be black-fellow's politics to tomahawk him. I cannot be accused of undue sympathy with or liking for the right honorable gentleman, but, having agreed to the giving of this pledge, I am bound to keep it.

I wish to draw the attention of the Acting Prime Minister to a matter which has interested me for a considerable time—the scandal of permitting the firm of Henry Jones and Company to be the agents at Hobart of the Commonwealth Line of Steamers. It is the policy of the Government to which effect has been given everywhere else that no agent for the Conference lines of steamers should be an agent for the Commonwealth Line. For years past the firm I have mentioned has practically monopolized the shipping space on the steamers carrying fruit from Tasmania to England, and recently the manager of a co-operative company that has been started complained that Sir Henry Jones, the largest shipper of fruit from Tasmania, was Chairman of the Overseas Shipping Committee, which regulated space during the war, and is also agent for the Commonwealth Line of Steamers. If one is not satisfied with the results of an interview with him as the Chairman of the Overseas Committee, he is referred to the agent for the Commonwealth Line of Steamers, and meets the same man again. This has placed a terrible shackle on the co-operative company, which, notwithstanding, has succeeded so far. I recognise the assistance which the Treasurer has given to the enterprise. The monopolists had reduced the price of small fruit below what it cost for picking, when the co-operative company offered 3d. per lb., which was more than twice as much as had been previously offered, and saved the industry. Now, after five months, the co-operative company is in the proud position of being able to repay the Treasurer the assistance that he so generously advanced to it. I do not ask that the agency of the Commonwealth Line of steamers be given to any other individual, firm, or co-operative society; but I ask that it be placed in the hands of the Tasmanian Government, which has a line of steamers of its own. If this be done, all shippers will be treated alike. This is a matter of great importance to men who have only their orchards to rely on for their living. The attempt to break down

the monopoly which has existed is, I am glad to say, succeeding to some extent, and it is not too much to ask the Government to remove a serious obstacle to its further advance. We merely ask that those who put their produce into this co-operative concern shall not have to go cap in hand to a rival exporter to obtain space for the fruit which they wish to ship to England. The Sea Carriage of Goods Committee inquired into this matter. It was composed of four Nationalists, two members of the Labour party, and myself, and, though it differed on many points, it unanimously recommended that the agency of the Commonwealth Line of Steamers in Hobart should be transferred to the Tasmanian Government.

Mr. GABE.—As all the Tasmanian representatives support the Government, they should be able to bring pressure to bear on it.

Mr. McWILLIAMS.—I think that all that is needed is just a plain, straightforward statement of the case. I ask the Acting Prime Minister to attend to this matter at once. The manager of the Commonwealth Line of Steamers gave the Committee to understand that he was strongly in favour of what I suggest being done, and he told me that it would be done before the fruit season commenced. That fruit season has now passed, and another is about to commence. It is not right that the chief exporter of fruit from Tasmania should be able to say what space other exporters may use. Every grower, every dealer, and every exporter should start from scratch, and be treated alike in the matter of space. There is always a shortage of space, and last year we were not able to secure space for more than one-third of the fruit that we could have exported. This leads to all sorts of fraudulent arrangements. A man who wishes to export 1,000 cases will get the tip that he will be allotted only one-third of the space for which he asks, and that, therefore, he should apply for space for 3,000 cases. The Minister for the Navy (Mr. Laird Smith) knows all about these matters, and I am sure that in private conversation with the Acting Prime Minister he will give him more information on the subject, if he needs it. I wish to have the matter dealt with before the

negotiations connected with the new season's operations commence. I was unwilling to move the adjournment of the House to have the subject discussed, and therefore I have taken this opportunity to deal with it. The present arrangement is a positive scandal, and the Government should appoint an independent agent. In my view, the recommendation of the Committee that the agency be transferred to the Tasmanian Government should be given effect to.

Mr. MARR (Parkes) [3.34].—There are one or two matters to which I desire to draw attention. Under the Navigation Act, which is to come into operation on the 1st October, every vessel carrying twelve or more passengers must be equipped with wireless, a necessary provision. But recently the owner of a private yacht, who desired to travel round the coast, wished to install wireless, in order that he might keep in touch with the land, and he was told that, if he did, it would be necessary for him to carry a first class wireless operator. My view is that if any one desires to install wireless on a vessel carrying less than twelve passengers, or on a private yacht, no obstacle should be put in his way. I would like the Department concerned to consider this matter.

Recently the rates chargeable upon Inter-State telegrams were raised to a minimum of 1s. 4d. Confusion exists to-day in respect of the supply of change when payment is made for these messages. Seeing that the public are charged 1s. 4d. minimum for a telegram of sixteen words, care is taken in almost every instance to send the whole of the sixteen words, in order to get full value for the money spent. If the charge for Inter-State messages were made 1d. per word, the minimum being 1s., there would be considerable saving in staff, at any rate. A senior officer in the Postmaster-General's Department has informed me that he could handle the central office traffic with half his present staff owing to the relief which would be afforded in giving change.

Mr. WISE.—That is an extraordinary statement!

Mr. MARR.—It is; but I believe that it could be borne out. I have personally observed the conditions in the Sydney

office. I have seen a customer hand over a florin in payment for a 1s. 4d. message. The attendant has had to draw from three different portions of the till in order to get change. With that kind of thing repeated all day long and every day, a vast amount of time is wasted.

Mr. WISE.—When an addition of 3d. was made on State telegrams a similar amount was added to Inter-State messages. In another place, however, an honorable senator suggested that if the minimum were made 1s. 4d. the public mind would be relieved of confusion, since it would be perceived that the rate was equivalent to 1d. per word. As the proposal involved an increase of revenue the Government did not oppose it, and it was agreed to.

Mr. MARR.—I believe that considerable savings could be effected if a minimum of 1s. were adopted, the rate being 1d. per word.

One successful innovation has been made in the Postmaster-General's Department which I would like to see extended. I refer to the installation of adding machines in receiving offices. These machines have relieved counter attendants from the old procedure of tearing off stamps and placing them on telegrams. However, more machines of the kind should be installed. Every telegram is now put into a machine, and the cost of the message stamped upon it, and the number of words added. Then it is sent up to the operating room for despatch. In that branch, at the Sydney General Post Office, there are ten clerks employed to do nothing but check the adding of the words—a work which could be done by the installation of one machine. While expense and much labour have been curtailed in the receiving offices, there are still those ten clerks in the operating-room. Even if the machine cost £400 it would more than pay for itself within six months.

I desire to refer briefly to the duplication of work between the Postmaster-General's Department and the Department of Works and Railways. In the former there are as good engineers as in any branch of the Commonwealth Public Service. I know one man who has served the Department as an engineer for thirty-eight years. When a new regulation was issued that all works, even of

the most minor character, must be done by the Department of Works and Railways, the engineers of the Postmaster-General's Department were "hung up." They could not carry out their duties, because even such a triviality as repairs to a small machine had to be referred to the other Commonwealth Department. This reference would go back and forth from day to day, through devious departmental channels, until perhaps, at the end of two months, the job would be approved, whereas it could have been carried out for 10s. in one day. There is room to cut down expenditure in regard to repairs and maintenance of plant, and even in the matter of installation of new plant. Thousands of pounds could be saved in the Postmaster-General's Department alone. I could give a hundred instances in the Sydney General Post Office showing how and where money could be saved by a system of business management, and by the appointment of a competent engineer to continually supervise matters.

Mr. BURCHELL.—Why not submit those ideas to the Postmaster-General?

Mr. MARR.—I have put the facts before predecessors of the present Minister until I have grown tired.

Mr. RYAN (West Sydney) [3.40].—I desire to say a few words arising from remarks of the honorable member for Franklin (Mr. McWilliams) this afternoon. The honorable member frankly admitted that, but for an arrangement which had been made by his party with the Prime Minister (Mr. Hughes), prior to the departure of the latter for London, he would have voted differently upon the amendment which I moved yesterday. That amendment, it will be recalled, had for its object the granting of assistance by the Commonwealth Government in respect of the continuation of the Wheat Pool system, and it included the suggestion that the Government should enter into negotiations with the different States. It is a lamentable state of affairs that, because the Prime Minister happens to be away from Australia, the Government of which he is the head must be considered free to do exactly what they like without any fear of being turned out of office, or, indeed, of censure. I know of no similar circumstance in the history of Australia, or of any part of the Empire. It is, in my opinion, quite unconstitutional, and it is certainly contrary to the

desires of the large majority of the people of Australia. A state of affairs whereby the Government may do as they like, or omit to do what they like, until the return of the Prime Minister, is one deserving of condemnation; and I trust that there will never be a repetition of it in this Parliament. Prior to the departure of the Prime Minister, a declaration was made in this chamber by the Leader of the Country party, the honorable member for Cowper (Dr. Earle Page), that he was not going to be bluffed. The honorable member took a stand which now turns out to have been make-believe. He was merely a lath painted to look like iron. The unpalatable truth is that the Prime Minister had a definite understanding with the Country party that that party would do nothing in the nature of censuring his Government, or anything, indeed, which could possibly lead to their removal from office during his absence. The Leader of the Country party would have the people of the Commonwealth believe that he was not going to be bluffed by the Prime Minister; that he was not going to make any arrangement; and that, in fact, there was no arrangement. But honorable members have now heard a definite statement by a member of the Country party—I refer to the honorable member for Franklin—that, on account of an arrangement which was made with the Prime Minister, he cast his vote last night in a direction different from that which, otherwise, it would have taken. There can be no doubt now that an arrangement was made whereby, during the absence of the Prime Minister, nothing was to be done to interfere with the Government. No matter how deeply the welfare of the people might be involved, the Government were to remain and retain office.

Mr. JOWETT.—The honorable member for Cowper and the honorable member for Franklin must both be right.

Mr. RYAN.—It may be in accordance with the practice of the Country party that, when the Government find themselves in danger, some members in the Corner are to vote one way and the remainder in the opposite direction. Something of that nature would appear to have been decided upon in order to insure that the Government should be in no danger.

Sir JOSEPH COOK.—All that is suggested, to my mind, is that the members of the Country party are not puppets, to be dragged about upon the honorable member's string whenever he may desire to pull it.

Mr. RYAN.—But that they are puppets who are to dance at the pulling of the strings by the Government. At all events, I do not want to drag any puppets about on my string. Honorable members have all been sent here to represent the people of their electorates, and they should be free to vote as they may see fit, and not be bound by some secret pledge to wait for a matter of six months, or perhaps longer, pending the return of the Prime Minister to his post in Australia.

I desire to draw public attention to the existing state of affairs, which becomes the more reprehensible when one examines the nature of the Imperial Conference and the means by which it was brought about. When honorable members discussed this matter originally, the undoubted impression in their minds was that the Imperial Government had, of their own volition, decided upon a Conference, and had cabled urging the attendance of Dominion representatives in London. That impression was permitted to remain until the Prime Minister was making his final remarks in reply to a certain amendment which I had moved. Then, on the eve of his departure, the House was informed that the Prime Minister of Australia was the individual who had asked for the Conference, that the British Government had not suggested it at all, but that the Commonwealth Prime Minister had cabled London in October last urging that a Conference should be called since he considered that such a gathering was very necessary.

Mr. JOWETT.—Does not the honorable member think the right honorable gentleman should be given credit for his suggestion?

Mr. RYAN.—I give the Prime Minister credit for doing things according to his own sweet will when they suit his own sweet purposes. The right honorable gentleman said, in this chamber, that he had cabled thus—

In my opinion it is absolutely essential that the Dominion Prime Ministers should meet in London next year.

Later, the Prime Minister informed the House that he had cabled to Mr. Lloyd George—

I most earnestly recommend that you call a meeting of the Dominion Prime Ministers next year in London—say, about June. Delay for another year most dangerous.

By his own admission, then, the Commonwealth Prime Minister was the instigator of the Imperial Conference. Honorable members now learn that he has used this gathering, which he himself instigated, in order to secure immunity for his Government while he was away. And honorable members in the Corner fell into his trap.

Sir ROBERT BEST.—That is very far-fetched.

Mr. RYAN.—It is a plain and undeniable fact.

Sir ROBERT BEST.—Does not the honorable member think that the business to be brought before the Conference justified the action of the Prime Minister in the fullest degree?

Mr. RYAN.—The business which was to have been brought before the Conference has apparently been shelved, and the Conference is now doing nothing. Moreover, to make believe that something is being, and is to be, done, the Prime Minister of the Commonwealth has suggested that the Pacific Conference should be held in London, although public opinion is emphatically against him in that regard. Without doubt, the Prime Minister asked that the Imperial Conference should be convened, and then he manipulated one of the parties in this Parliament in order to secure immunity for his Government during his absence. Possibly the right honorable gentleman may be able to manipulate the Country party again so as to achieve further immunity. This observation reminds me of a cablegram read by the Acting Prime Minister in this House yesterday from the Prime Minister in London. And, by the way, although the Acting Prime Minister delivered himself of that message, he has not deigned to inform honorable members whether it was in answer to a cablegram which he had sent to the Prime Minister.

Sir JOSEPH COOK.—On the contrary, I have done so.

Mr. RYAN.—Then the Acting Prime Minister has refrained from giving honorable members any inkling of its contents.

Sir JOSEPH COOK.—I have not done so.

Mr. RYAN.—Apparently, he does not intend to do so. I am informed—and my information comes from the London end—that the cable message of the Prime Minister was sent in response to a very urgent appeal of the Acting Prime Minister, to the effect that it was immediately essential, in order to allay public feeling in Australia, that the Prime Minister should send a statement of the nature which he did send, and that he should be careful not to mention that it was a reply to an urgent summons of the Acting Prime Minister in Melbourne.

Sir ROBERT BEST.—Does the honorable member mind producing that cabled information of his from London?

Mr. RYAN.—I am prepared to lay it on the table simultaneously with the production of the cablegram sent by the Acting Prime Minister to the Prime Minister.

Sir JOSEPH COOK.—The honorable member's statement is an absolute fabrication.

Mr. RYAN.—Produce the cable and let us see what it is. The communication from the Acting Prime Minister to London is suppressed, but Parliament has been given the carefully-prepared reply by the Prime Minister. The other, we are told, must be kept dark; but the people of Australia will be able to guess fairly well what is in it. The cablegram from the Prime Minister is entirely out of accord with the speech made by him in this House before he left for London. He said in his cablegram, in reply to the Acting Prime Minister's secret despatch—

I stated in most definite and unambiguous terms in Parliament that the Commonwealth would not be committed to any scheme of naval or foreign policy or involved in any expenditure by any act of mine, but that all (after explanation by me and full discussion by the Legislature) should be subject to the ratification of Parliament.

Although we have not seen the Acting Prime Minister's cablegram to the Prime Minister containing the suggestions made from this end, we have the Prime Minister's speech in this House. He said in his cablegram that any scheme of naval or foreign policy, or any expenditure, will be subject to the ratification of this Parliament. This is what he said in Parliament about the continuance of the Anglo-Japanese Treaty—

Long before the Australian people could approve or disapprove, the Treaty will be renewed

or else allowed to lapse. If our people do not approve, that will not alter matters by one-thousandth part of an inch. . . . On my return from Britain if the Treaty, as drawn up and agreed to, is not satisfactory, this Parliament can say, "We will have none of it"; and we can renounce it. But the practical consequences will remain, and Australia will have to face them.

That is an entirely different statement from that in the cablegram to the effect that anything he does at the Conference will be subject to ratification by this Parliament.

Sir ROBERT BEST.—That is as far as it may be applicable to Australia. That is the usual practice.

Mr. RYAN.—That is not the usual practice. On the contrary, the Prime Minister of Canada has insisted at the Conference that a proviso should be inserted in the Treaty making it not binding upon Canada until the Dominion Parliament approved of it. No such suggestion has been made by the Prime Minister of Australia. He says that the Treaty will be ratified or allowed to lapse long before we can say aye or nay, and if we say nay, it will not alter matters one-thousandth part of an inch. In another part of his cable, the Prime Minister says—

The official communiqué is the only information permitted except where Conference otherwise decides. Whenever it has so decided I have made public the very fullest information. So that we may take it that all the information we have received about his dominating the Conference emanates entirely from himself. After all, I suppose that does not matter very much.

Sir JOSEPH COOK.—Where did the honorable member learn logic?

Mr. RYAN.—I think I learned it in at least as good a school as that in which the Acting Prime Minister learned his.

Sir JOSEPH COOK.—I am glad I did not learn mine in the same school.

Mr. RYAN.—We have from the Prime Minister an admission that he made public the fullest information. He did not tell us anything about the attitude of the Prime Ministers of Canada and South Africa, or give us any general information that would allow us to arrive at an exact conclusion as to what was taking place; but, after the debate in this House last week, the following résumé, which I am quite sure did not come from the Prime Minister, was published in the

daily press of Australia on Monday last:—

IMPERIAL CONFERENCE.

REVIEW OF ITS WORK.

London, Friday.

The Australian Press Association is authoritatively assured that, when reviewing the Conference dispassionately in retrospect, one realizes that it undesignedly but inevitably fell into three divisions. They were never hostile, but were mutually helpful, even when apparently antagonistic.

The first division included the British Ministers, who adopted a receptive rather than a prescriptive attitude. They were anxious to learn the views of the Dominions rather than to impose their own. Nevertheless they were insistent on requiring the renewal of the Treaty, and persistent in representing their inability any longer to bear the whole burden of the defence of the Empire, in which all the Dominions must share in the future.

The second division was comprised of Mr. Meighen and General Smuts. The former differed from the British Ministers regarding both the Treaty and defence, but was predisposed to support the Treaty.

In the third division were Mr. Hughes and Mr. Massey. The former approved of the Treaty provided it was rendered inoffensive to the United States. Mr. Massey whole-heartedly supported the renewal.

Both Mr. Hughes and Mr. Massey regarded naval defence as a matter of life and death to Australia and New Zealand.

Mr. Meighen's reasons for opposing a renewal of the Japanese Treaty were threefold. First, the conditions which necessitated the Treaty in 1911 did not now exist. Second, the renewal would be regarded with disfavour by the United States. Third, the formation of such alliances was antagonistic to the spirit of post-war times.

Failing to secure a denunciation, Mr. Meighen would propose an insertion of the clause exempting Canada until the Dominion Parliament approved.

General Smuts concurred in the principles of Mr. Meighen's arguments, but if assured it was Imperially necessary he would support a renewal of the Treaty.

Mr. Meighen also opposed the Conference dealing with Naval Defence, and pointed out that the Canadian Government and Parliament refused to deal with Admiral Jellicoe's report two sessions ago because naval defence involved questions of foreign policy and constitutional control affecting Admiralty authority on the one hand and Dominion authority on the other.

He advocated that they should suspend action until the Conference decided to precise mechanism, under which the Dominions could give effect to their views on foreign affairs.

General Smuts arrived at a similar conclusion by a different line of reasoning, and emphatically opposed any new defence commitments as a contravention of the spirit of the League of Nations.

Mr. Ryan.

A member of the Conference described General Smuts as even going further than Mr. Meighen in opposition to the defence commitments, and said he out-Heroded Herod.

Sir ROBERT BEST.—The honorable member does not suggest that that communication is official?

Mr. RYAN.—I suggest that it is an accurate summary of the attitude taken up by the respective groups. I know, from my own experience of the Prime Minister, and from having heard his views often expressed in this House, that the statement is accurate in regard to him, and I have no reason to doubt—and I am sure no one else has—that it is accurate with respect to the views of Downing-street and the Prime Ministers of Canada and South Africa. It is quite clear to me that the Prime Ministers of Canada and South Africa were entirely in favour of the Disarmament Conference that is proposed to be held in Washington; and, in regard to defence, General Smuts said that he was emphatically opposed to any new defence commitments, because they would be a contravention of the spirit of the League of Nations. His attitude is diametrically opposed to the attitude of the Prime Minister of Australia. Fortunately, the decision does not rest with the Prime Minister of Australia; but the only conclusion to which we can come after reading that summary is—and it is a corroboration of a view I have held for some time—that the Prime Minister and his Government are really echoes of Downing-street. They advocate whatever Downing-street wants.

Mr. MCGRATH.—They showed that in regard to conscription.

Mr. RYAN.—Exactly; and on reading that newspaper summary one finds the Prime Minister advocating just what the British Government want, quite irrespective of the requirements of Australia. He is continuing to carry out his policy of subordinating the interests of this country to those of the Imperial Government.

Mr. BELL.—In what way do they differ?

Mr. RYAN.—Downing-street and the Australian Prime Minister do not differ. Downing-street wants a certain thing, and the Prime Minister of Australia advocates it. He suggested the Conference

which will bring about what Downing-street wants, and he holds up the business of this country while he goes to England to carry out that policy.

Sir JOSEPH COOK.—And is that necessarily subordinating the interests of Australia?

Mr. RYAN.—I did not say "necessarily." There are many things in regard to which I entirely agree with the views of the British Government.

Sir ROBERT BEST.—I thought it was a crime to agree with any view of the British Government.

Mr. RYAN.—Perhaps that is true in respect of the actions of some people associated with the honorable member, who did disagree with the views of the British Government. However, I am not to be drawn off my arguments; the matter is too important to the people of this country. The fact remains that our business is held up. We can do nothing in this House contrary to the wish of the Government, whether it be for or against the welfare of the people.

Sir JOSEPH COOK.—The honorable member is doing his best all the time. Three censure motions in a fortnight!

Mr. RYAN.—We have the admissions of some honorable members in the corner that they would have supported those motions but for the fact that they are bound by a truce. What does the welfare of the people of this country matter when the Prime Minister is away?

Mr. STEWART.—If the honorable member was in the position of the Prime Minister, and he was doing the work which the Prime Minister is supposed to be doing, I hope we would give him the same fair deal as we are trying to give the Prime Minister.

Mr. RYAN.—If I were in his position I would not ask for any immunity for my Government. The business of this country should be done in this country; the Government of the Commonwealth should be in the Commonwealth, and there is no man so important that his duties cannot be distributed in some way so that he may be free to carry on overseas negotiations without hamstringing the business of this Parliament. It is very desirable that we should make it perfectly clear that this Parliament, at all events, is more in favour of disarmament than is the head of the Government. Ministers appear to think that it

is entirely unnecessary to have the views of Australia on disarmament represented at Washington. Upon that question they seem to speak with their tongues in their cheeks. The Prime Minister said that the League of Nations is not a sufficient guarantee of the peace of the world, and that we must have expenditure on defence and still more expenditure on defence. This is what he said about disarmament—

Long ago it was said by Marcus Aurelius, "Wouldst thou confer upon any country the clouds of war, then induce its Government to disarm?"

The Prime Minister quoted with approval those words. I hope we shall have an opportunity of impressing upon the Government that we desire the views of Australia represented at any Conference dealing with the limitation of armaments or disarmament; we object to armaments; and our objective is the abolition of armaments and conscription in all countries simultaneously. This question seemed to me of such importance that I could not allow the opportunity to pass without making these observations.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [4.5].—The Acting Leader of the Opposition (Mr. Ryan) has made a number of statements of the most surprising character. His imagination has been in "fine frenzy rolling."

Mr. RYAN.—Why does not the right honorable gentleman produce his cable to the Prime Minister?

Sir ROBERT BEST.—Why does not the honorable member produce the one he received from London?

Mr. RYAN.—I will produce it simultaneously with the production of the other.

Sir JOSEPH COOK.—My cable is a fact; it is in existence. I doubt that the other exists anywhere. If it does exist, it has evidently been despatched by a man somewhere who is just as prudent in the use of truth as my honorable friend is. For the last half-hour the honorable member has done nothing but try to bespatter the Prime Minister. What a type of mind the honorable member's must be! The Prime Minister is representing the country—not a party, but the country—in the sphere of international diplomacy and international relationship; and what a type

of mind it must be that causes a man to spend his days and nights, his industry and intelligence, trying to bespatter and belittle him at the other end of the world! What a type of mind that must be which wallows—perhaps I had better go no further.

Mr. ANSTEY.—You yourself spent years in giving the Prime Minister hell!

Sir JOSEPH COOK.—I did not spend years in giving the Prime Minister "hell," or anything else, when he was at the other end of the world. I do not call this fair fighting, but mean, contemptible party politics.

Mr. RYAN.—You are a good judge of what is mean and contemptible party politics.

Sir JOSEPH COOK.—I call this not "playing the game." The honorable member would rather be bespattering the Prime Minister to-day than be doing anything that would help his country.

Mr. RYAN.—Why not produce your cable?

Sir JOSEPH COOK.—Never mind about the cable. The honorable member says that the Prime Minister is doing nothing in London. How does he know that the Prime Minister is doing nothing? What proof has he of that statement?

Mr. RYAN.—I will show you my cable if you will show me yours.

Sir JOSEPH COOK.—I do not want to see the honorable member's cable. I ask him across the table how he knows the Prime Minister is doing nothing.

Mr. RYAN.—I did not say that the Prime Minister was doing nothing; I said that he was manipulating this House.

Sir JOSEPH COOK.—You said that the Prime Minister was doing nothing at the Conference, and you said it two or three times. I venture to say that, over there, the Prime Minister does more for his country in an hour than the honorable member has done since the right honorable gentleman left Australia.

Mr. RYAN.—That is your mere "say-so."

Sir JOSEPH COOK.—It is my "say-so," and I venture to say that it is the "say-so" of every intelligent member in the House.

Mr. PARKER MOLONEY.—I wish the Prime Minister would do nothing over there.

Sir JOSEPH COOK.—That is it; honorable members opposite wish the Prime Minister to do nothing. That is their only desire and object all the time; and they move adjournment after adjournment trying to cut the ground from under his feet at the other end of the world. I think it is a matter for congratulation that this Parliament is one that can rise above those mean, paltry, contemptible tactics. That is all I wish to say in regard to that matter.

In all his diatribe the honorable member's one substantial charge is that the Prime Minister is working in harmony with Downing-street officials. What a crime, in an Empire like ours! What a crime to dare to agree with the Imperial authorities! But that is the gravamen of the honorable member's charge.

Mr. RYAN.—I have at least woke you up.

Sir JOSEPH COOK.—The charge is that the Prime Minister is in agreement with the Imperial Government; and the honorable member asks how he dare. Nothing could be more eloquent of the honorable member's general attitude towards these great world questions than that one charge he brings against the Prime Minister—the charge that the right honorable gentleman dares to agree with the Imperial authorities.

Mr. RYAN.—That is your twist of it!

Sir JOSEPH COOK.—I think that the country will agree that that is what the Prime Minister went to London to do—wherever possible, consistently with the interests of Australia, to work side by side with the Imperial authorities, not seeking to create conflict between Australia and those authorities, but working with them in efficiency and unity for the good of Australia and the Empire as a whole.

Mr. RYAN.—Here endeth the first lesson!

Sir JOSEPH COOK.—Yes, "here endeth the first lesson," and here endeth the first charge the honorable gentleman made in his diatribe of thirty minutes. I wish to emphasize the fact that the one complaint that the honorable member has against the Prime Minister is that he dares to agree with Downing-street. There I shall leave the matter.

Mr. BELL (Darling) [4.15].—There is an understanding that the debate on Supply shall close at 5 o'clock, and,

therefore, honorable members must curtail their remarks. I shall not refer now to the War Service Homes administration, because I hope to have an opportunity to do that later in the evening. At present, I desire only to call attention to the great necessity for postal and telephone facilities in the outlying portions of the Commonwealth. It will be remembered that last year the Treasurer (Sir Joseph Cook) gave an assurance that, so far as post-offices were concerned, there would be no reduction of the Estimates. That assurance was appreciated and approved by honorable members on both sides of the House. I fully realize the necessity for a close scrutiny of the Estimates of every Department, and the Treasurer has told us that it will be necessary to use the pruning knife. I hope, however, that the policy announced last year with regard to post-offices will be carried out, despite the fact that the pruning knife may be necessary in regard to public expenditure generally. The Post Office provides facilities that are absolutely necessary, especially in the outlying districts. I commend the Postmaster-General (Mr. Wise) for his administration in the past; he has done work that has been commended by honorable members and the country generally, and there is very little to complain of. Now that we are assured that telephone material is coming to hand, we may look for some extension of lines. But the main point I wish to emphasize is that a one-day-a-week mail is of very little use in the country districts far removed from towns and the more populous centres. The business done at the existing post-offices in these districts affords a very poor indication of the correspondence received and despatched. In districts which I know, where there is a one-day-a-week mail service, the people are compelled to use other means of transport for their letters, only a small percentage of which pass through the post-offices. I have pointed out to the people concerned that if they supply their own facilities they will not get the improved facilities they deserve, but they find the one-day-a-week mail absolutely insufficient, and have to use traders' carts and any other means available for transit. Help in this direction is given by the traders and business people from neighbouring towns; and my contention is that, if any place warrants the post-office, there should be at least

a tri-weekly mail. We may assume, I think, that with telephone material available many proposed lines that have been held up will now be constructed. It should be realized that when a telephone line is carried into an outlying district, it does not benefit only the people living in the immediate neighbourhood. There is no doubt that these pioneers in the back country are doing, perhaps, a greater service to the Commonwealth than any done by any other section of the community, and they deserve every consideration that can be extended to them. But, as I say, it must not be concluded that they, and they only, benefit by the telephone extension; every business man in the neighbouring towns, every one, indeed, connected with the telephone, benefits equally. We should remember that it is not only the individual but the general community that benefits by the granting of improved telephone and telegraph facilities. Again, with regard to telephone services in the outlying districts, I would urge the necessity of extending the hours so that town residents may be able to communicate by telephone with farming districts between 6 p.m. and 8 p.m. I brought this matter before the Postmaster-General some months ago, and the reply that he gave me was that the business transacted in the district offices to which I specifically referred would not warrant the suggested extension. I pointed out then, and I repeat the statement now, that between 6 and 8 o'clock every evening there would be more telephone business than at any other time of the day. Farmers and other people in country districts work long hours. Many of them are out in the fields during the day, but in the evening town residents would be sure of getting into communication with them. The extension of hours for which I ask would be a boon to country districts, and the additional business would be much greater than the Postal authorities anticipate.

MR. WISE.—I am having that matter very fully inquired into all over Australia. My own experience impresses me with the force of the honorable member's contention.

MR. BELL.—I am pleased with the honorable gentleman's assurance. I desire now to draw his attention to what is being done in the small town of Somerset, on the north-west coast of Tasmania. It has been arranged that the postmistress

there shall be on duty for exchange work between 6 p.m. and 8 p.m., but while private subscribers may thus get into telephone communication with other towns during those hours, the post-office is not open for the transaction of general business. The postmistress receives £6 per annum, or, approximately, 2½d. per hour, for working these two additional hours per day. In all probability the business transacted would not warrant the Department paying what might be considered an adequate payment for the work performed, but where officials are called upon to be in attendance during extra hours, they should receive a reasonable reward. If the post-office at Somerset were open for the transaction of general business during these hours, the additional revenue that would be forthcoming would enable the Department to pay this lady a considerable increase. I ask the Postmaster-General to consider the wisdom of allowing general postal and telegraphic business to be transacted during the extra hours in respect of which postal officials have to be in attendance for telephone purposes. I regret that I have to bring forward at this stage what are relatively minor matters, but they are of considerable importance to the people of my constituency.

I also draw attention to the overloading of the main trunk telephone line between Burnie and Launceston. We have recently had the assurance that other main trunk telephone lines within the Commonwealth are to be duplicated. The necessary material is now at hand, and I would strongly urge the Postmaster-General to duplicate the line between Burnie and Launceston, since, under present conditions, people have to wait sometimes from three hours to six hours in order to make a call. I trust that the Treasurer will not feel called upon to curtail the estimates of the Postmaster-General's Department. To whatever extent he may find it necessary to use the pruning knife on the estimates of other Departments, I hope he will not cut down the vote for the Postal Department, since it provides one of the most important services of the Commonwealth. Improvements in means of communication and transit are of the utmost importance if we are to develop this Commonwealth and give those who live out-back the facilities to which they are entitled.

Dr. MALONEY (Melbourne) [4.28].—I draw the attention of the Treasurer (Sir Joseph Cook) to the doings of an unmitigated scoundrel who is preying upon old-age pensioners. I refer to the notorious criminal Paddy Hill, who organized a conspiracy to which the Reverend J. B. Ronald fell a victim. The Reverend Mr. Ronald secured for this scoundrel a pension. In return, the man organized a conspiracy against him in the Harper case, and for engaging in that conspiracy or committing perjury, all the witnesses in the case with two exceptions had to "serve time." Paddy Hill also had to "serve time." I find that this unmitigated scoundrel is preying upon old-age pensioners, and I hope that action will be taken to punish this man. An old lady while going to Mass at 6 o'clock one morning was stopped by Hill. She says that he was very courteous and was well-dressed—confidence men generally are. He told her in the course of conversation that he was in great difficulties, and that if he could only obtain a loan of £30 he would be able to buy bags for his wheat in the Mallee. Later on he called upon this poor old soul, who had a few pounds in the bank which she had put by to meet her funeral expenses. He induced her to lend him £30, for which he gave her a promissory note, which was payable in April last. She still holds the note, but has been unable to obtain payment. She has called many times at Paddy Hill's house, but has not been able to see him. When she goes to his house she is always interviewed by a Cerberus at the door, a man named Ryan. She has also written to Hill's son, but without success. This man Paddy Hill is still drawing a pension, and if we cannot take it away from such a scoundrel it is time that we amended the Act so as to prevent such a parasite from receiving that help. He is a disgrace to the religion he professes. When I get the promissory note I shall hand it to the Treasurer, who, I hope, will get into touch with the Crown Law authorities, and see that this criminal is punished. I hear from the keeper of a fruit shop that many old-age pensioners complain that this man is a parasite battenning upon the old and the helpless.

I am glad that the Deputy Speaker is present, because I desire now to refer to the case of a lift attendant named Denholm, who until recently was employed in this building. Denholm was a temporary employee here for ten years, but by some misapplication of justice his appointment was not made permanent. It is difficult to understand why he was not permanently appointed to the Service. We all found him active, earnest, intelligent, and polite. Some time ago, during the pneumonic influenza scare, he was ordered to be inoculated. He at first, under advice, refused, but Dr. Stephens, who examined him and for whom I have great respect, told him that he need not fear any ill result. He then submitted to inoculation. The serum had a bad effect upon him, however, and Dr. Stephens refrained from inoculating him a second time. He has never properly recovered the use of the arm in which the serum was injected, with the result that since his unjust dismissal from the service of the Joint House Committee, he has not been able to obtain a position.

Mr. FENTON.—We ought to stand by that lad, and put him in some other position if the authorities will not restore him to his old job.

Dr. MALONEY.—Yes. The honorable member for Oxley (Mr. Bayley), in words worthy of Shakespeare, put his case in a nut-shell when he said, "This young man has been unjustly dismissed, and justice shrieks to the skies." Questions were addressed to the Deputy Speaker (Mr. Chanter) on the subject, and later on the honorable gentleman read a statement supplied to him by the President of the Senate (Senator Givens) setting out that Denholm's services were terminated in accordance with the requirements of the Public Service Act, to which the attention of the head of the Joint House Committee had been called by the Auditor-General. Mr. Israel, the Auditor-General, in the course of sworn evidence given before the Select Committee of the Senate, has denied that statement. The honorable member for Kooyong, who, like the rest of us, has taken an interest in this case, sent to Denholm a statement obtained, I think, by Mr. Deputy Speaker from Senator

Givens, to the effect that Mr. Israel had refused to sanction the payment of any further funds to that lad. The Auditor-General, on oath, says that he did not refuse to sanction these payments, and that there was no foundation for the statement.

Mr. BLAKELEY.—It is a scandal.

Dr. MALONEY.—This young man's mother, for whom I have a great regard, has written to me about the case. Senator Givens said that she had written to him in terms derogatory to her son, and it is about that that she writes to me, her letter being dated 11th July, 1921.—

Excuse the liberty I am taking in writing to you, but having read your speech in *Hansard* in reference to my son, I thought it my duty to write thanking you for the splendid stand you have taken in the matter. The injury to my son's arm was no doubt the result of the inoculation. Before he was compelled to be inoculated his arm was quite all right.

That cannot be denied. A warning was given before the operation took place, and Dr. Stephens, for whom I have great respect, would not repeat the inoculation. Serum treatment is in its experimental stage at present, and medicine has been defined as the science of experiments punctuated by death. That was said by one of the greatest professors who has occupied the chair in the University of Edinburgh. To continue—

As regards the letter that Senator Givens said was received from me complaining about my son, I have never at any time in my life written a letter to Senator Givens or any one else at Parliament House complaining about my son. The statement is false, and in fairness to me should be withdrawn.

My son, who has been in the employ of the Federal Parliament for the best ten years of his life, is now being dismissed. He has a maimed arm, the result of being inoculated. I would be very grateful to you if you would demand an inquiry, as Senator Givens has made a false charge against me, and goodness knows what he has said about my son.

Thanking you for past favours, and hoping an inquiry will be held.

In the name of this unfortunate mother who loves her son, who has been vilely accused, I ask honorable members for justice. If we cannot get justice done here, how in God's name can the hundreds, and, perhaps, thousands, outside who are crying for it hope to get it?

Mr. BLAKELEY (Darling) [4.40].—What I shall say will be brief, because of an arrangement to close the debate, and I understand that the honorable member

for Hume (Mr. Parker Moloney) wishes to speak. Much has been said by honorable members, and by legions of cranks outside, of the need for economy. Some persons affect to think that the country can be saved only by reducing the salaries of members of Parliament, and a fairly large number, including not a few Government supporters, say that its salvation lies in increasing the hours of work and reducing the wages of the people. There is, however, need for the close supervision of the public expenditure, and I have risen to draw attention to what I consider a scandalous waste of money. I recently asked for information about the Royal Naval College at Jervis Bay and the Military College at Duntroon, and the replies indicate an astounding and disgraceful state of affairs. I asked the Minister representing the Minister for Defence for a return of the Instructional Staff and others employed in and about Duntroon, and the number of students there, and I was informed that the Instructional Staff and others number 170 persons, and that the students number eighty-one. Much can be said for the training of young officers in this country, so that we may have skilled leaders in case of war; but an establishment which requires a staff quite twice as numerous as the body of students is an absurdity.

Mr. HECTOR LAMOND.—There are others beside the Instructional Staff.

Mr. BLAKELEY.—Yes; the cooks, servants, and so on, who are considered necessary in the estimation of the responsible officials and of the Ministers who supply the cash. The Government should put the pruning knife into this establishment fairly deeply. In 1918-19 the Duntroon Military College cost £52,902, in the next year £54,637, and in the next year £54,045, or over £161,000 in three years. For the Naval College at Jervis Bay, I do not know that I have received a complete return of the staff.

Mr. LAIRD SMITH.—My instruction was that the honorable member was to be given all the information that he asked for.

Mr. BLAKELEY.—Apparently, only the Instructional Staff is included in the reply to my question. I expect that the same style and the same huge staff is kept at Jervis Bay as I have found to exist at Duntroon. The cost of the establishment, indeed, seems to show that the staff at Jervis Bay may be greater than

that at Duntroon. The Instructional Staff at the Naval College numbers thirty-three persons, and the students eighty-five, and the cost of educating these students was £69,518 in 1918-19, £71,850 in the following year, and £87,954 in the next year, so that these students cost about £1,000 a year each to educate, and the College during three years has cost nearly £250,000.

Mr. LAIRD SMITH.—Does the honorable member suggest the closing of it?

Mr. BLAKELEY.—No; but the Government should take cognisance of the facts to which I have drawn attention. I ask the Minister if he does not consider the cost of this establishment a scandal?

Mr. LAIRD SMITH.—Do you suggest a reduction in salaries?

Mr. BLAKELEY.—No; but common sense should be applied to the administration of these colleges, and if it is not possible to educate our naval and military officers for less than it costs to maintain these institutions, Ministers should consider whether a scheme could not be devised for training the lads at other educational establishments. The Government will stand condemned if the present excessive expenditure continues. The training of fewer than 200 lads has cost nearly £400,000 during the past three years.

Mr. LAIRD SMITH (Denison—Minister for the Navy) [4.50].—I shall not occupy more than a few minutes in replying to the speech of the honorable member for Darling (Mr. Blakeley), because I do not wish to prevent the honorable member for Hume (Mr. Parker Moloney), who is entitled to the call, from addressing the Committee.

The funds available for carrying on the Navy Department have been very limited. Consequently, ever since I have been given control of the Department, it has been my task to look around to see if I could not effect some savings. I made a personal survey and investigation of the whole of the affairs of my Department last year, in the course of which I visited the Naval College. I court the fullest inquiry now and at any time. I went to Jervis Bay prejudiced, to some degree, against the College, and having the feeling that a considerable saving might be made by closing it down. I desire to know now whether honorable members wish that to be brought about, because it is still my task to retrench, and to keep

within the means which have been made available. I think economy of this nature would be an extreme measure. At that institution I saw sufficient to lead me to regard it as one of the finest teaching establishments in the Commonwealth. Not only does its staff build up young men superbly equipped for service in the Navy, but so fitted that, generally, if they should see fit to retire, they could take their places as able and gifted citizens of the Commonwealth. I challenge the honorable member for Darling (Mr. Blakeley) to say whether there is a teacher upon the instructional staff who receives a penny more than he should be getting. I would readily cut down salaries if it could be shown that there is too heavy an expenditure in that direction. I claim, however, that the Commonwealth is securing full value for the money spent. I invite honorable members to read the reports of the institution. They will be impressed with the fact that a splendid return is being afforded the country in the shape of young men equipped to hold their own with any naval graduates from any part of the world. They can be favorably compared with the graduates of similar institutions both in Great Britain and the United States of America, where the training costs as much, if not more. In his scheme of economy, the honorable member for Darling would reduce the institution at Jervis Bay to something which would be of no earthly use. I could undertake to run it more cheaply, but not at the same time insuring that it would turn out graduates of the character of those hitherto trained there. I emphasize that there is no waste going on.

Mr. BLAKELEY.—I cannot accept the Minister's assurance.

Mr. LAIRD SMITH.—Does the honorable member suggest that the staff should not be paid a basic wage, that they should not be treated as city workers expect to be treated? His remarks in criticism of the Naval College are unjust, and by no means creditable to a New South Wales representative in this Parliament.

Mr. PARKER MOLONEY (Hume) [4.53].—I desire to refer to only one matter, but it is one of vital importance to very many people. My remarks shall be concentrated upon the crisis between the New South Wales Government and the

Commonwealth authorities owing to the failure of the Acting Prime Minister (Sir Joseph Cook) to live up to his promise to pay New South Wales £3,500,000 for the purpose of soldier settlement. I have endeavoured to probe this quarrel between the Commonwealth and the Mother State, and, to me, the whole business savours of confidence trickery.

Sir JOSEPH COOK.—The honorable member would naturally say that, since he has investigated only one side of the story.

Mr. PARKER MOLONEY.—I repeat that I have gone into the whole business, and have carefully read the utterances both of the Federal and State Ministers. The facts are such that it is due to the Acting Prime Minister to furnish a full statement.

Sir JOSEPH COOK.—You will not get it.

Mr. PARKER MOLONEY.—If the Acting Prime Minister had a good case he would not hesitate to make it known.

Sir JOSEPH COOK.—I have made the facts public quite a number of times.

Mr. PARKER MOLONEY.—The Federal case must be a very bad one. The Acting Prime Minister has not replied to the New South Wales Treasurer (Mr. Lang), and the situation is serious for two sets of people, the one being those who have sold land to the New South Wales Government, and cannot get their money, and the other being those returned men who are waiting for land. The New South Wales Treasurer has made public his case through the medium of the Sydney press, and neither the Acting Prime Minister nor the Minister for Repatriation (Senator E. D. Millen), nor the Assistant Minister (Mr. Rodgers) has furnished an answer. At the Premiers' Conference in July last year, the Acting Prime Minister, when giving a *résumé* of the proceedings to the Melbourne press, announced the result of his negotiations with the New South Wales Treasurer in the following terms:—

We will give New South Wales the full £3,500,000 which it says will be necessary for the purpose of settling the 8,405 soldiers.

Sir JOSEPH COOK.—And how many soldiers has New South Wales settled?

Mr. PARKER MOLONEY.—The number does not affect my argument. The New South Wales Treasurer has given a complete answer. The Acting Prime Minister said further, when Mr. Storey, the

Premier of New South Wales, had acknowledged the promised assistance—

We cannot let you down, because we have been privy to the arrangements, but they ought to be, and must be, tightened up a little in the future.

And, at the same time, the Acting Prime Minister condemned the late Nationalist Government of New South Wales for their actions. That condemnation, however, does not concern me at the moment.

Sir JOSEPH COOK.—I condemned no one that I know of.

Mr. PARKER MOLONEY.—The Acting Prime Minister did reflect upon the late Holman Government for not having carried out their part of the contract. On the 13th of this month a long statement was published in the Sydney *Daily Telegraph* from Mr. Lang, in which the State Treasurer said that the Commonwealth Treasurer and Assistant Minister for Repatriation had complained that the New South Wales authorities had not tendered certified accounts of the money spent. That is the crux of the whole trouble. The obligation of making payment is not denied by the Federal authorities. A solemn contract was entered into, but the only reason which has been given for non-payment is that the State has not rendered certified accounts for the money said to be due. If those were the facts, the Commonwealth authorities would be standing on solid ground; but the New South Wales Treasurer gave the Sydney press specific sums, and mentioned the dates on which the accounts had been certified, and sent on to the Commonwealth. Mr. Lang said—

The list of certified accounts of expenditure forwarded by us to the Commonwealth Government, but for which we have not been recouped, is as follows:—

Then he gave full particulars of more than a dozen items, of which I shall quote only the first to indicate how complete was his case. It is this: “£6,630 0s. 6d., forwarded to Commonwealth Government, 19th January, 1921.” Notwithstanding these specific details, the Assistant Minister (Mr. Rodgers), in his last statement forwarded to the New South Wales Treasurer, intimated that those accounts had not come to hand.

Sir JOSEPH COOK.—As a matter of fact, New South Wales has an advance now of about £270,000, in respect of which the State Treasurer has not yet sent us a certified account.

Mr. PARKER MOLONEY.—Am I to understand that the Federal Government have paid only £270,000, and that there still remains nearly £3,250,000 unpaid?

Sir JOSEPH COOK.—New South Wales had £4,250,000 last year.

Mr. PARKER MOLONEY.—That was a different matter altogether.

Sir JOSEPH COOK.—And New South Wales will get all I can spare it this year.

Mr. PARKER MOLONEY.—That may not amount to much. The Federal authorities should keep their word in respect of the £3,500,000. The Acting Prime Minister said that, when the State accounts were forwarded, New South Wales would be recouped. They have been forwarded, but the Acting Prime Minister has not kept his word.

Sir JOSEPH COOK.—How could New South Wales send in certified accounts in respect of the settlement of more than 8,000 men, when less than 6,000 have been settled so far?

Mr. PARKER MOLONEY.—The Federal authorities should pay the accounts for the expenditure incurred.

Sir JOSEPH COOK.—I know Mr. Lang better than the honorable member does.

Mr. PARKER MOLONEY.—The Acting Prime Minister's trouble with Mr. Lang is that he cannot answer his arguments. I can only say that if a transaction of this character were carried out in private life it would be stigmatized as a confidence trick. If the Acting Prime Minister is prepared to look upon a solemn contract as a scrap of paper, he must not mind some candid criticism.

Mr. BELL.—Who is to have the last word upon this matter?

Mr. PARKER MOLONEY.—The State Treasurer.

Mr. WATT.—No; the man who has the last word is the man who has the money.

Mr. PARKER MOLONEY.—If the Acting Prime Minister had a good answer he would make it the last word. But, since he has not replied, I take it that the case of New South Wales cannot be answered. When the Acting Prime Minister has a good case he always makes the most of it.

Mr. WATT.—And, even when he has not, he does so.

Mr. PARKER MOLONEY.—That is true, too; but when his case is very bad he says nothing, as in this matter. Here

are the terms of the challenge thrown down by the New South Wales Treasurer, but which has not been accepted:—

The fact is that, instead of keeping the contract under which this State was to be recouped from time to time, the expenditure paid out of the advances, the Commonwealth Government retained duly certified statements of account totalling £1,004,557 in part adjustment of the advances made. A detailed list giving the dates and amounts of these certified statements has already been published in the *Daily Telegraph*, and I challenge Mr. Rodgers to state whether or not it is a fact that the Commonwealth has received these statements. I emphatically state that the procedure adopted by the Commonwealth is not in accordance with the arrangements entered into. The action of the Commonwealth Government in not recouping the £1,004,557, as per certified statement rendered to 30th June last, left me without a working advance to finance the expenditure, and necessitated the provision of £248,125 out of State funds, not covered by any Commonwealth advance.

The State Treasurer has challenged the Assistant Minister for Repatriation to disprove his statement.

Mr. BILL.—Does the State Treasurer want the money before or after he has expended it?

Mr. PARKER MOLONEY.—Mr. Lang has stated clearly that certified accounts have been submitted. The Assistant Minister for Repatriation says that when they are submitted they will be paid, but that they have not yet been submitted.

Mr. WATT.—If they are certified accounts, the money must have been spent.

Mr. PARKER MOLONEY.—Yes; the Commonwealth Government have broken their solemn compact, and it is due to the soldiers that a statement should be made by the Commonwealth Treasurer (Sir Joseph Cook) or by the Assistant Minister for Repatriation. In the meantime, it is the duty of this Committee to have the matter ventilated.

Sir JOSEPH COOK.—The State Treasurer does not want a statement, but money.

Mr. PARKER MOLONEY.—And what is the right honorable gentleman's answer to his request?

Sir JOSEPH COOK.—I shall give him all the money I can afford to give him.

Mr. PARKER MOLONEY.—The Treasurer should give Mr. Lang all the money that is due to him. The Acting Prime Minister admits the debt, but says

he will pay, not what he promised, but what he can afford.

Mr. WATT.—The Acting Prime Minister said this afternoon that some conditions were attached to the promise.

Mr. PARKER MOLONEY.—The State Treasurer said that the money was promised unconditionally. The Assistant Minister for Repatriation does not deny that the money should be paid, but says that the certified accounts have not been submitted. I repeat that Mr. Lang says they have been submitted. It is clear that the Commonwealth Treasurer has a tight hold on the purse strings, and is not prepared to do his part of the agreement.

Sir JOSEPH COOK.—Very tight! The State Governments received only about £15,250,000 for land settlement last year.

Mr. PARKER MOLONEY.—That does not matter. A compact is a compact the world over, and should not be treated as a "scrap of paper," as the right honorable gentleman is doing.

Question resolved in the affirmative.
Resolution reported.

Standing Orders suspended and resolution adopted.

Resolution of Ways and Means founded on resolution of Supply reported and adopted.

Ordered—

That Sir Joseph Cook and Mr. Laird Smith do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Sir JOSEPH COOK and passed through all stages without amendment or debate.

WAR SERVICE HOMES.

Motion (by Sir JOSEPH COOK) proposed—

That the statement made yesterday by the Assistant Minister for Repatriation (Mr. Rodgers) upon the subject of War Service Homes be printed.

Mr. CHARLTON (Hunter) [5.15].—In speaking on this subject last night I exhausted my time before I was able to complete my remarks. I dealt with the building areas acquired by the Commission at King's-road and Waratah, and I propose to-day to refer to what has been done by the Department at Cessnock. In that district a large number of houses have been built by the Commission, and a couple by the Commonwealth Bank, and

they are very unsatisfactory. The Assistant Minister (Mr. Rodgers) stated last night that if the applicants for homes at Cessnock were dissatisfied they would be permitted to apply for other homes, and their applications would be granted. That, on the face of it, appears a fair proposal, but I doubt whether it will be satisfactory, because if new homes are built for these people in some other part of the district, the Commission will have to dispose of the homes which have been already built, and it is possible that, because of their inferior character, purchasers will acquire them at less than the cost of construction. A better procedure would have been to adopt the recommendation by the Public Accounts Committee. We recommended that the soldiers should be given the privilege of requesting the Government to revalue their Cessnock properties. Some competent person or persons should be appointed to carry out the valuations, and if it was found that a house, because of inferior workmanship or the use of inferior material, was defective, then, whatever value was placed on the house by the officers the soldiers should pay, and nothing more. To me that appears a fair proposition, especially in view of the fact that most of the soldiers and their families have been for some considerable time occupying the homes. When a man and his family have moved into a house with their furniture and effects, and thereby incurred considerable expense, it does not seem to me quite just that, because of some defect, he should be told he may apply for another house and move into it. A removal of this kind means anything from £10 to £20 expenditure on labour, fitting cloth coverings, and so forth. In such cases, the householder should have the right to a re-valuation; and, if it be shown that the house which cost £700 is worth only £600, the householder should get it at the latter price, and the difference be borne by the Government. If the Government are responsible for defective work, I should say they, and not the soldier, ought to bear any additional cost; and I ask the Minister to look into the matter.

Mr. FENTON.—The soldier may not be altogether satisfied with the house.

Mr. Charlton.

Mr. CHARLTON.—Then let him have the chance of going out, at no loss individually. I now wish to refer to the statement made by the Minister last night in regard to the future policy of the Department. We were informed that, in future, all work is to be carried out by contract. Of course, the Government are perfectly justified in carrying out their own policy, though, personally, I do not regard that policy as in the best interests of the soldiers who have to occupy these houses. It is claimed that houses built by means of day labour cost £97 more than do houses built under the contract system by the Commonwealth Bank; but I remind honorable members that many factors have to be taken into consideration in making comparisons of the kind. The statement made by the Assistant Minister for Repatriation will be sent broadcast throughout Australia, and it will be taken for granted that under day labour we do not get the same amount of work done as under the contract system. I venture to say that if two or three competent men, who thoroughly understand the building business, were to investigate the matter, they would find that relatively there is not the difference in cost that was claimed last night.

When War Service Homes were contemplated, negotiations were entered into with Sir Denison Miller, of the Commonwealth Bank, with a view to undertaking the work, but no finality was reached. Sir Denison Miller went on a visit to the Old Country, and the Savings Banks of the various States were consulted with a view to intrusting the business to them. When Sir Denison Miller returned, and became aware of this, he, as representing the Bank, undertook the work, and the Savings Banks authorities were, very properly, apprised accordingly. At that time, it must be remembered, building material was very much cheaper than it became twelve months later, and that is one of the factors to be taken into consideration in making any comparison between the cost under day labour and the cost under contract; indeed, as between 1918-19 and 1920-21, it would otherwise be impossible to arrive at anything like a fair idea of the position. We know that during the latter

year contractors would not tender, because, as they pointed out, they were not sure of the market for even a fortnight or three weeks ahead. One contractor informed me that, under the circumstances, he found it better to remain idle than to tender, owing to the large and sudden increase in prices. These facts are not taken into consideration in the statement made by the Assistant Minister for Repatriation. But this is only on a par with every thing done by the Department in recent years.

Mr. RODGERS.—To what statement does the honorable member refer?

Mr. CHARLTON.—The statement the honorable gentleman made as to the future policy of the Department.

Mr. RODGERS.—The theory which the honorable member enunciates is sound enough, but we must consider every phase of day labour and the effect of it. It is not only the actual work we have to consider, but the principle of day labour as applied to houses built under the provision of the Act which lays it down that the houses must be completed at a fixed price.

Mr. CHARLTON.—There are many other factors to be taken into consideration, as I shall show. For instance, the Commissioner is working on a group system, and the Bank is building individual houses. A man may have an allotment of land, and apply for a house to be built on it; and I would not be surprised if, on inquiry, we did not find that, in estimating the cost of the house, the value of the land in such cases is not taken into consideration. Honorable members will see that this would make a vast difference in the comparison.

Mr. RODGERS.—I made a statement last night in regard to costs, inclusive and exclusive of land, for homes built both by the Bank and by the Commissioner.

Mr. CHARLTON.—Yes; but I am suggesting that in cases where a man already owns land, the cost of that land is not taken into computation, but only the cost of the building.

Mr. Rodgers.—I gave separately the cost, exclusive and inclusive of land.

Mr. CHARLTON.—That may be; but let us suppose that there are 100 houses

to be built by the Bank, and that amongst those 100 houses there are ten in regard to which it is not necessary to purchase land, then the total cost is divided by the number of houses, without taking into consideration the land already owned by the soldiers. In the case of the grouping system under the Commissioner, the same thing occurs; and if the facts be sifted, a great deal will be found in my contention.

Mr. RODGERS.—I do not think so.

Mr. CHARLTON.—I know that the Assistant Minister has to be guided in these matters by his officers.

Mr. RODGERS.—I am bound by the returns of the Department.

Mr. CHARLTON.—In view of the dissatisfaction with the administration, I would not take for granted anything received from the officers, some of whom are not fit for the positions they occupy. Personally, I do not favour the grouping system, though, of course, there are other people who do; and it is a matter that will probably be dealt with in the general report of the Public Accounts Committee. If a large area of land has to be purchased and subdivided, the streets made, and drains formed to the satisfaction of the municipality or the shire, the cost is considerably increased; and it is quite a different proposition from buying isolated allotments.

Mr. RODGERS.—I agree with the honorable member, and say that it is almost impossible to give effect to the specific terms of the Act under the grouping system.

Mr. CHARLTON.—And, as a result of that difficulty, the soldiers suffer in very many cases.

Mr. RODGERS.—On the average, the soldiers will not suffer, though individuals may.

Mr. CHARLTON.—I do not mean that all the soldiers will suffer; but, under the group system, a man may get for £800 a house that is really worth £900, whilst some one else, in the same group, gets one for £700, making the average price £800. That is very unsatisfactory, and not fair to the soldiers.

Mr. RODGERS.—As a member of the Public Accounts Committee, the honorable member may have observed my views on that point.

Mr. CHARLTON.—At the moment I do not know what the honorable member's views are; but all these factors I have mentioned tend to make the comparison between day labour and contract work unsatisfactory. It is unfair that it should be spread broadcast that the contract system has proved much cheaper than the day-labour system. Kirkpatrick has been "flying his kite" pretty high in New South Wales, with statements in every newspaper alleging the failure of day labour and claiming that he has built the houses under contract cheaper by £200 each.

Sir JOSEPH COOK.—Sir Denison Miller told me the other day that he thought the average would come out at about £650 a house, plus land.

Mr. CHARLTON.—That is another point. We are told by the Assistant Minister that the houses cost £686, and now we are informed that Sir Denison Miller says the cost will be £650 per house, plus land, a difference of £36. It is impossible to buy a block of land in any of the suburbs of Sydney for £36, so that we have evidence in this later statement that the comparison is not correct.

Sir JOSEPH COOK.—I should say that the average cost of these houses would be over £700; but for all that, good work has been done in the building of them. It is of no use underrating it.

Mr. CHARLTON.—The Acting Prime Minister (Sir Joseph Cook) bears out my contention.

Mr. RODGERS.—But against this we have the clear returns of the Commonwealth Bank, as furnished to the Department, and given by me to the Committee last night. The honorable member cannot doubt them.

Mr. CHARLTON.—There is conclusive evidence that the comparison is misleading, and I am satisfied to leave the matter there. Many of the houses built under the contract system by the Commonwealth Bank are among the most defective that we have seen. The Commonwealth Bank built the houses at Goulburn, New South Wales, which have been the subject of much public comment. Mr. Kirkpatrick was the supervising architect on behalf of the Commonwealth, and he employed as local architect the son of the contractor for the erection of these homes. Yet Mr. Kirkpatrick is running

about Sydney talking about what he has accomplished under the contract system, and condemning the day-labour system.

Mr. LIVINGSTON.—I should hardly think it correct that the son of the contractor for the building of the homes at Goulburn was employed as architect.

Mr. CHARLTON.—Sworn evidence to that effect was given before the Public Accounts Committee.

Mr. RILEY.—They also got control of the local brickworks.

Mr. CHARLTON.—Yes, and used bricks some of which were like sand, and could be broken up in the hand. I doubt whether these facts would have come out but for the inquiry made by the Public Accounts Committee.

Sir JOSEPH COOK.—They were found out before the Public Accounts Committee dealt with the matter.

Mr. CHARLTON.—That is not so.

Sir JOSEPH COOK.—Then, how is it that the Committee went to Goulburn?

Mr. CHARLTON.—On account of the disclosures made in evidence given before the Committee at Sydney by the Deputy Commissioner of the War Service Homes Department. The Committee found that inferior material had been used in the construction of the homes at Goulburn, and although Mr. Kirkpatrick said that he would not give his final certificate until he was satisfied that everything was satisfactory, the fact remains that the buildings had practically been completed when the Committee inspected them. I did not go with the Committee to Goulburn, but members of it have told me that they found the buildings were almost complete, and that plaster was being used to cover up bad material. If the contract system is such an excellent one, how is it that bad material was used in that case?

Sir JOSEPH COOK.—These things are common to any system of construction; but the outstanding fact is that out of over 16,000 homes that had been erected under this scheme, only about forty defective buildings were discovered.

Mr. MARR.—There were others which were not brought under the notice of the Committee.

Mr. CHARLTON.—I dare say that there are quite a number that we have not seen. Although the Acting Prime Minister says that, in connexion with so large a scheme we are bound to have

some defective houses built, I maintain that a thorough system of supervision would protect us from anything of the kind.

Sir JOSEPH COOK.—No system of supervision will prevent roguery.

Mr. CHARLTON.—Not where the son of a contractor is appointed as architect to see that he does good work. At Cessnock there are two War Service Homes in which inferior material has been used. On the occasion of our visit one could put one's fingers into the cracks in the walls, and the so-called paint with which they had been painted could be rubbed off.

Mr. MATHEWS.—Were those houses built under contract?

Mr. CHARLTON.—Yes. I mention these cases only to show what may happen if the Minister goes on with the contract in preference to the day-labour system. The Public Accounts Committee found that houses which had been built by day labour were far superior to those which had been constructed under the contract system. I went with the Committee to Newcastle, and it was impossible to fault any of the homes that had been built there by day labour.

Mr. RILEY.—There is no incentive under the day-labour system to scamp work.

Mr. CHARLTON.—That is so. The homes that we saw at Newcastle had been well and faithfully built, and in my estimation the cost was reasonable. The construction of these houses was supervised by capable men. At the head of a gang under the day-labour system there is a recognised builder, who acts as supervisor and sees to it that first-class material is used, and that good work is done. I should not have mentioned this matter had not the question of day labour *versus* contract been raised by the statement of the Minister, that the Government intend, in future, to build all War Service Homes under the contract system. If that policy is to be pursued, it will be necessary for the Department to exercise the greatest care in the appointment of supervisors, otherwise much of the work will be scamped, and our returned men will suffer. If I were purchasing a house to-morrow, I would prefer one that had been built by day labour, even if I had

to pay more for it, rather than one that had been built under contract. If I bought a house that had been built by day labour, I would be sure of getting a more satisfactory home, and one which would not require almost immediately to be repaired.

Mr. BELL.—Does the honorable member know that some of these homes have cost £400 more than the estimated price?

Mr. CHARLTON.—Yes; and something will have to be done by the Government to relieve the men from these unnecessary additional costs. Under the grouping system, a soldier does not know what his home will cost.

Mr. BELL.—But under the contract system I think he does.

Mr. CHARLTON.—Not where homes are built in groups of twenty or forty.

Mr. BELL.—Under the contract system I do not think the estimate would be exceeded in any case by, say, £200.

Mr. CHARLTON.—I hope the honorable member is not suggesting that I do not object to soldiers having to pay sums considerably in excess of the estimated cost of their homes. I hold that many mistakes due to inefficient supervision have been made.

Mr. BELL.—Under the day-labour system, a man cannot tell what his home will cost until it has been completed.

Mr. CHARLTON.—Nor is it possible under the contract system to know what a house will cost. The soldier does not know what alterations and repairs will be necessary to a War Service Home that has been built for him under the contract system.

I understood the Minister to say that he had decided to discontinue the policy under which soldiers were permitted to purchase houses already built. I do not know that it will be wise to discontinue that policy. The average man is a good judge of a house. A proper valuation can be obtained, and by purchasing a house already built a man might save £200 or £300.

Mr. MATHEWS.—Yes; but by allowing the men to purchase houses already built you raise the price of houses generally.

Mr. WEST.—And lead to increased rentals.

Mr. CHARLTON.—That might be one of the results of the system, but I am

speaking now purely from the point of view of the interests of the returned men.

Mr. MATHEWS.—If the policy under which they were allowed to purchase homes already built had been followed generally, the price of houses would have been considerably raised.

Mr. CHARLTON.—The practice was not general. In the interests of the soldiers themselves, they should be given the alternative of having a house built for them by the Commission or of purchasing one already built. A man might be able to obtain for £600 a house which, if built for him, would cost £800. The additional cost is a serious toll on his earnings.

Mr. MATHEWS.—I know of houses in my electorate which returned men were prepared to purchase for £600 or £700, although they were not really worth £200.

Mr. CHARLTON.—I believe that some people have been trying to exploit our returned men. If a man could purchase a house for £600, instead of having to pay £800 for a house built specially for him, it would lighten the burden of his repayments. Most of the returned men who are applying for homes are young men, who have married since their return from the war, and four or five years hence they may have two or three children to maintain. Some of them will find it difficult to keep up their instalments and at the same time rear a family in reasonable conditions of comfort. I speak from experience. In my younger days, as a working man, I set about getting a home for myself, and I well remember the difficulties with which the wife and I had to contend in meeting the payments for our house and at the same time keeping the home going. It should be our endeavour to keep down these costs. Where the estimates are exceeded the burden on our returned men is intensified; and if we are not careful many of them may not be able a few years hence, should we fall upon bad times, to meet their payments. In that event, we shall have to come to their rescue, or allow them to forfeit and lose their homes. I do not want to see those who fought for us brought to such a position. My desire is that everything shall be made as reasonable as possible for them; and that is why I am inclined to think that they

should be allowed to purchase a house already built, where they can do so to advantage,

Then, again, I do not know whether the Minister is going to continue the policy of isolated building. My impression is that it is intended to build in groups under the contract system. The grouping system leads to injustice. If a returned man has a block of his own, or is offered an allotment by a friend, why should he not be allowed to build his home upon it? Why should he be compelled to buy a house built under the grouping system on a site which is, perhaps, some distance from tramway facilities?

Mr. McWILLIAMS.—Why should they be compelled to build in the cities?

Mr. CHARLTON.—Exactly. In the Newcastle district land much better than that bought by the Commission was offered to it, and declined. That land could have been obtained more cheaply than some that was bought. It is situated in the middle of the district, and those living there could travel easily from it to places of business. Yet the Commission has gone further afield, and taken up large blocks for the building of grouped houses, quite beyond the living area. Much of this land will be useless as a site for soldiers' homes, and 8 acres of one estate which was bought has had to be discarded as unsuitable because it cannot be built on. The Government have bought too much land. They are ahead of their requirements. If they spend only £4,000,000 a year on the erection of soldiers' homes, they cannot for many years to come utilize, in New South Wales, at any rate, all the land that they now hold.

Mr. LIVINGSTON.—The land that has been purchased in New South Wales has not been paid for.

Mr. CHARLTON.—I doubt that much of the land purchased during the last twelve months has been paid for.

Mr. LIVINGSTON.—The sum of £22,000 has been owing to some widows for nearly two years past on account of land purchased from them, and they are being allowed only $4\frac{1}{2}$ per cent. interest on the money.

Mr. CHARLTON.—Soldiers have been allowed to purchase homes already built, and the vendors, in many cases, have given them possession, understanding that they would be paid immediately. But

there are cases in which vendors have been waiting sixteen months for their money.

Mr. RODGERS.—No vendor whose title is good has been waiting for that length of time. The Government cannot pay money for real property for which a good title cannot be shown.

Mr. CHARLTON.—In one case that I know of, the vendors are telling the widow of a soldier who has recently been killed that, if she cannot make a settlement, they will not wait longer. I have had to write personally to them to urge them to give her more time. The excuse for the delay is that an A. A. Company's title is not a good one. I do not know how it is that the lawyers in Sydney question that title.

Mr. RODGERS.—Please do not say "the excuse"; it is the opinion of the Crown Law authorities by which we are guided.

Mr. CHARLTON.—Hundreds of thousands of pounds have been advanced on the security of A. A. Company's titles. Nearly all the business men in Newcastle are interested in land having that title. Years ago the A. A. Company was given a grant of 1,000,000 acres, and every solicitor in Newcastle accepts the title as good, so that there is no difficulty in raising money on a mortgage of land originally acquired from the company. Yet by the War Service Homes Commission, cases are hung up for months, on the ground that that title is unsatisfactory. It may be that the legal men in Sydney could say something for the view that they take, and I believe that it is not uncommon for Sydney lawyers to question an A. A. Company's title; but I do not know that transfers of this land have ever before been held up for as long as they are being held up by the War Service Homes Commission. Had as much care been given to seeing that properties were not encumbered, the Commission would be better off. The present position is very unsatisfactory to vendors, and I have heard many complaints from persons dealing in properties in the Newcastle district. Many of these persons have committed themselves to expenditure which, because the Government would not come to a settlement, they have had to bear personally. It is most unsatisfactory for agents and others to enter into an arrangement in good faith, and to find at the last moment, when everything seems to be on the point of completion, that the transaction would be held up indefinitely. The Minister should look into these cases

and get them settled. I think, too, that he should give further consideration to the question of grouping. If that system is to continue, the land that is taken to build on should be reasonably accessible. Returned men should not be placed in houses a mile or more from a tramway or other means of communication. That does not give partially incapacitated men a chance.

Mr. RODGERS.—The Commissioner has aimed at securing accessibility, but in the metropolitan areas it is difficult to get large parcels of land close in to the centre.

Mr. CHARLTON.—I admit that; yet, if proper inquiries were made by those responsible for the purchasing of land, we should be better off. Had proper inquiries been made in all cases, the War Service Homes Commission would not have purchased some of the land which it now holds. What happens seems to be this: An officer goes to a land jobber in a town, and asks him if there is any land for sale in the district. He is told, "Oh yes, I have such and such a piece of land which I will sell for so much." That land is accepted, perhaps, without regard to the opinion of other persons who know something of values in the district, and subsequently it is found that a mistake has been made. Those responsible for recommending land for purchase, the officers on whom the Minister depends, should explore every avenue of information. They should obtain values from the books of the town and shire clerks, and ask the opinion of the public men in a district.

Mr. RODGERS.—I agree that in buying land for soldier settlement double precautions should be taken, because the Commission is limited in what it can spend on a home.

Mr. CHARLTON.—If the Minister makes an inquiry, he will find that we have paid a great deal too much for some of the land.

Mr. RODGERS.—In odd cases.

Mr. CHARLTON.—In many cases.

Mr. FLEMING.—On the average, it is so.

Mr. RODGERS.—It is not so on the average, and no member who has not seen the returns should make such a statement.

Mr. CHARLTON.—I do not pose as one qualified to express an opinion on the value of land, but I have resided in the Newcastle district for forty-eight years, and know what has been paid for land

there. Some of the land which the Commission has bought in that district has cost more than it should have cost.

Mr. RODGERS.—There is no doubt about that. The two purchases in regard to which you asked for the papers this afternoon are shocking examples, but the Minister cannot be held responsible for them. He took the ordinary precautions. Those who made the valuations and recommendations grossly erred, in my judgment.

Mr. MATHEWS.—Are they still in the Department?

Mr. RODGERS.—No.

Mr. CHARLTON.—What protection have we against this thing happening again in the future? I understand that a director-general is to be appointed under the new policy, and let us hope that he may be a thoroughly qualified man. But the Minister should take care that the country does not, in the future, find itself in the same predicament as it has been in in the past. No Minister can examine for himself all the land offered to the Commission in the various States.

Mr. LIVINGSTON.—The Minister could get valuations free of cost in any district in Australia from councils and other local governing bodies.

Mr. CHARLTON.—That is one thing that could be done; but care must always be taken to ascertain that the information supplied is not that of interested persons.

Mr. FLEMING.—The information that would be supplied on behalf of district councils would be less interested than that now obtained.

Mr. CHARLTON.—At the present time, the evidence of a valuator as to the worth of a property depends largely upon the side for which his services are enlisted, and thus one set of valuers—auctioneers and land agents—will give one valuation, and another set, acting for the opposite party, will give another valuation, and sometimes there will be great disparity between the two.

Mr. RODGERS.—All valuations are merely estimates.

Mr. CHARLTON.—That is so; but a good guide is the statements of sales recorded in the books of council and shire clerks, because nowadays whenever a sale of land is made, the local council or shire has to be informed of the price at which

the land was sold. I hope that in future the Minister will compel officers sent to report on land to make inquiries in certain directions, to insure the fullest information being available. We have paid away a lot of money which should not have been spent, because of the muddled way in which our purchases of land have been conducted. The 108 acres in Platt's estate, in the Newcastle District, is over a mile from a tram, and a mile and a quarter from a railway station, and if houses are built on that land without the assurance that a tramway will be taken close to it, the expenditure will be wasted, because soldiers will find that they cannot afford to live there. The Commission might easily waste £1,000,000 or £2,000,000 by building on land too far from the centres to which those for whom the houses were intended would have to go in the course of their daily employment. The Minister must be careful to see that land that is offered is suitable as a site for homes.

Mr. RODGERS.—Quite recently, a property of some magnitude was submitted to the Commission, and its purchase was recommended by a Deputy Commissioner. But having reason to doubt the wisdom of the recommendation, I had another valuation made, and got the Commissioner himself to inspect the land, and we then had no hesitation in declining the offer, on the ground that the land was unsuitable, not only as regards price, but also in point of situation. The Department is not asleep in these matters.

Mr. CHARLTON.—If the Minister will adopt that attitude in regard to future purchases all should be well.

Mr. RODGERS.—That officer, by the way, has since been dismissed—I do not mean because of that specific business.

Mr. CHARLTON.—I desire to conclude with some references to the financial aspect of this matter. Last year the Commissioner asked for £10,000,000 to carry out the programme which had been set him by the Government; but the sum was cut down, upon the Estimates, to £6,000,000.

Mr. RODGERS.—The requisition to the Treasury was for £7,000,000. That was what the Minister for Repatriation asked for; but the item was reduced to £6,000,000.

Mr. CHARLTON.—And the Commissioner himself had asked for £10,000,000.

It is true that the amount of £7,000,000 was sought for by the Minister, but it was cut down to £6,000,000, with a promise that the amount would be added to by the money coming in from the soldiers by way of repayment. This was estimated at that time to be about £850,000. However, my point is that such money as was granted was spent by the Commissioner in five or six months in the endeavour to give effect to the speeding up of soldiers' home construction. The money went in securing huge supplies of timber and in buying up land, and, of course, in actual construction of homes to cope with, as far as possible, the overwhelming volume of applications. How are we going to get along now with £4,000,000 for the current financial year to deal with activities over the whole of Australia?

Mr. RODGERS.—It should not be forgotten that, of last year's amount which was made available, approximately £3,000,000 was used in the purchase by the Commissioner of already erected homes, and another £295,000 or more was spent in the same direction by the Commonwealth Bank. That condition will not recur during this financial year.

Mr. CHARLTON.—Then it is to be understood that the Department spent only about £3,500,000 last year in the actual construction of homes. Yet that sum was nothing like adequate to meet the circumstances. In view of that fact, is it wise to apportion only £4,000,000 this year? Would it not be better policy, in the interests of economy, to put in hand the whole of the building of soldiers' homes as swiftly as possible? The same staff must be employed, whether £4,000,000 or £7,000,000 is spent in one year.

Mr. RODGERS.—I might inform the honorable member that I asked for more.

Mr. CHARLTON.—I am sure the Minister would very sensibly do so. If I were in his place and perceived that there were thousands of applicants waiting for homes I would endeavour to secure one comprehensive sum for the building of all the houses required, and have them put in hand as quickly as possible in order to reduce the costs to the country, which must be mounting up with every month in which War Service Homes activities are carried on.

Mr. RODGERS.—At first sight there might appear to be something in the honorable member's argument; but labour costs would be multiplied, and the difficulties of getting material in order to complete the whole task would be almost insurmountable, so that the project would prove impracticable.

Mr. CHARLTON.—I admit that there are those factors; but it cannot be denied that the greater the volume of business the less is the overhead cost.

Mr. RODGERS.—The outcome of the honorable member's proposal would be a building boom based upon loan money, which would certainly not be justified.

Mr. CHARLTON.—But a building boom for the construction of soldiers' homes would be justifiable.

Mr. RODGERS.—I referred to the artificial position which would be created in the building trade generally by such a concentrated programme.

Mr. CHARLTON.—The sooner all the homes required are built, the better for the soldiers and the better for the Commonwealth. The Commonwealth must bear all the overhead costs. If the project is extended over ten years, when it might have been wound up in five, the costs will have been about doubled.

Mr. RODGERS.—That is not so.

Mr. CHARLTON.—It is so. There is this danger also, that, as a result of soldier applicants being made to wait so long for their homes, many may grow tired of waiting and repudiate their contracts when their homes are at last ready for them.

Mr. RODGERS.—That kind of thing is quite frequent to-day.

Mr. CHARLTON.—And with good reason in many cases, no doubt, although I did not know that such were the facts. The trouble is one that is bound to be accentuated as the applicants are kept waiting longer and longer. Expenditure upon War Service Homes is not to be regarded as a national liability. It does not involve an accretion of the national debt.

Mr. RODGERS.—If we built all the homes for all the waiting soldiers at once, many of them would soon be selling back their houses again to civilians.

Mr. CHARLTON.—I fear that, with continued delay, that is frequently likely to happen.

Shortly after the last elections I undertook a close personal inspection of the soldier settlements in Adamstown. One of these communities was being established upon land on the King's Road, in the Newcastle neighbourhood. There were more than twenty houses in course of construction, and I anticipated that many of these would have been completed within a month. However, only thirteen or fourteen of them are occupied to-day, in a total of more than forty; and it is about fourteen months since I made that investigation. If completed houses remain empty for so long the cost to the soldier is bound to be enhanced. Interest must be paid. And here crops up the comparison, again, between the contract and the day-labour system.

Mr. RODGERS.—There is no justification for the delay which has occurred in getting soldiers into those homes. If there were a proper contract, however, forfeiture conditions would apply, and such delays in completion would not occur.

Mr. CHARLTON.—Unfortunately, where work has been carried out by contract many of the structures have not been completed to time. In justice to the builders I must say that the delay has been due very often to the scarcity of material.

Mr. RILEY.—But that is no excuse for a house continuing to remain empty long after it has been completed.

Mr. CHARLTON.—Certainly not! Another set of circumstances must apply there. The future policy of the Government will be a matter of deep interest throughout Australia. If something effective is not done to prevent a recurrence of past mismanagement it will be better to give up the work at this moment and admit that the Government have made a dismal failure of the whole job. If we cannot give our returned men assistance in a more acceptable form than the Department has hitherto been able to provide it, the better course will be to permit home-seekers to make their own arrangements. I believe that if they were to negotiate with building societies and similar institutions they would frequently do much better for themselves. I trust that the Assistant Minister (Mr. Rodgers) will keep a very close guard over the building of homes for soldiers,

and be ever watchful that applicants get a fair and reasonable deal and are not penalized by departmental blunders. No soldier should be asked for one penny more than he has contracted to pay. The Commonwealth Government, being responsible for blunders, should be prepared to bear the burden.

Mr. BAMFORD (Herbert) [6.19].—I desire very briefly to supplement the remarks which I made upon the subject of War Service Homes last night; and, in doing so, I quote the following passages from the report in to-day's *Argus* of the speech delivered by the Assistant Minister (Mr. Rodgers):—

Applications for the position of War Service Homes Commissioner were invited by the Ministry in January, 1919. Colonel Walker was selected for appointment, and was requested to see the Minister for Repatriation (Senator Millen).

He was already selected for appointment.

The interview being considered satisfactory, he was asked to submit references. He gave three, and one, Mr. H. Cupples, of the London Bank, Brisbane, replied in a confidential telegram to the Comptroller of Repatriation (Mr. D. J. Gilbert)—

I ask honorable members to remember that.

on 26th February, 1919, as follows:—

"Your telegram yesterday. Party is brave and energetic; had long experience building contractor, North Queensland. Ability lies in that direction. Good with men rather than as an administrator. During absence at front was made insolvent under old mining guarantee. Judge expressed sympathy with absentee, whereupon Bank of Australasia discontinued pressure. Consider he will fill outside position admirably."

"This telegram," Mr. Rodgers continued, "the Minister did not see, nor was he aware of its contents."

Senator Millen did not leave for London until September last. What had become of that telegram in the meantime? Who was responsible for the matter being left in abeyance? Surely somebody saw the telegram. Did Mr. Gilbert put it in his pocket?

Mr. RODGERS.—I do not suggest that he did. It would be only fair if the honorable member would read Senator Millen's statement.

Mr. BAMFORD.—No statement can excuse the overlooking of that telegram for such a long period.

Mr. RODGERS.—I do not desire to reflect in any way on Mr. Gilbert in connexion with this matter.

Mr. BAMFORD.—In this evening's *Herald* appeared this statement by Mr. Gilbert—

"I am very loth to say anything at all about the matter," said Mr. Gilbert, "but as Senator Millen, Minister for Repatriation, has denied all knowledge of the existence of Mr. H. Cupple's telegram from Brisbane regarding Colonel Walker, War Service Homes Commissioner, and as Mr. Rodgers, Assistant Minister for Repatriation, blissfully acquiesced while I was being attacked by rash and uninformed members in Parliament as the person responsible for any mistake that may have been made, I feel obliged to say a word or two."

I did not say anything about Mr. Gilbert.

"When Senator Millen said that he did not see the telegram in question, his memory must have been at fault. I sent out certain telegrams at his request, and when I received the replies I made them available to him, and that not once only."

"That is all I had to do with the matter. The Minister was attending to it himself. I did not deal with it in any ordinary departmental way at all. I may say further that, with the exception of work in connexion with the Bill which brought the Department into existence, I had nothing officially to do with War Service Homes in any shape or form. It was quite distinct from the Repatriation Department, and it was under a different administration. Its only connexion with the Repatriation Department was through the accidental circumstance that it had the same Minister dealing with it."

In reply to a question as to whether he would care to say anything about the position that the War Service Homes Department had got into, Mr. Gilbert said he would not.

In that statement, Mr. Gilbert says that the Minister did see the telegram.

Mr. WISE.—No, he did not.

Mr. BAMFORD.—He said, "When Senator Millen said that he did not see the telegram in question his memory must have been at fault." At any rate, somebody saw the telegram, and it was the duty of the Minister, or the then Acting Minister, to act upon it at once. As soon as that telegram was seen, Lieut.-Colonel Walker's application should have been turned down, or, if he had been appointed and subsequently, within a reasonable time, this telegram came under notice, the Government should have suspended him, passed a validating Bill, and re-appointed him, because up to that time his administration was giving satisfaction.

Mr. RODGERS.—I did not see that telegram until the 12th March last, and Senator Millen did not see it until after

his return to Australia, on the 17th March.

Mr. BAMFORD.—Then we must not believe Mr. Gilbert. I do not suppose that any compensation will be offered to Lieut.-Colonel Walker. The only course open to him is to appeal to the Court, and that procedure would be costly to both parties. I do not know that he would be successful in the Court, but it appears as if he cannot be successful in Parliament, because the Government, apparently, are determined to reply on the technical ground that he was an uncertificated insolvent. That point should have been raised a long time previously, and Lieut.-Colonel Walker dealt with accordingly.

Mr. RODGERS.—I agree, if the telegram had been within the knowledge of the Minister or the Government, but it was not.

Mr. BAMFORD.—There has been a serious lapse on the part of somebody if nobody knew about the telegram. There were two Ministers dealing with repatriation, and the Comptroller (Mr. Gilbert) and Senator Millen's private secretary (Mr. Petersen), and, apparently, not one of the four saw that telegram. This incident must shake the faith of honorable members in regard to other matters that are brought before them. How do we know that there have not been other occasions when Ministers have not been informed of matters of which they should have had the fullest knowledge?

Mr. RODGERS.—The honorable member has administered a Department, and he knows that, after an appointment has been made, the file relating to it is not turned over from time to time. The matter is closed unless something special occurs.

Mr. BAMFORD.—I make every allowance for Ministers. They are accused of maladministration in regard to War Service Homes, but no Minister can personally see everything that is going on. He must trust his officers, and if they are unreliable or inefficient the fault is not his, although the blame may ultimately fall upon his shoulders.

Sitting suspended from 6.30 to 8 p.m.

Mr. WEST (East Sydney) [8.0].—I must admit that I heard with a great

deal of regret the statement of the Assistant Minister for Repatriation (Mr. Rodgers) last night; indeed, I do not remember in all my experience any speech by a Minister that has caused me so much uneasiness. At the outset, I desire to say that, in making these remarks, I shall not avail myself of any information that has come to me as a member of the Public Accounts Committee; my desire is to take a broad view of the question. I do not think that any member of the Government will deny that they have received the most liberal support from the Opposition for any proposals that have been made in the interests of the returned soldiers. The Government, therefore, cannot put down their failure in the matter of the War Service Homes to any action of honorable members on this side. Never during my life-long experience of various Governments, both State and Federal, have I seen so much incompetence displayed as by the present Administration, in its efforts to carry out the wishes of Parliament. The Government have been given the utmost freedom by this Parliament, perhaps too much freedom. After all, it is the duty of the Government to carry out the wishes of Parliament, and to see that competent Ministers are selected to that end. — I have on more than one occasion pointed out that a Coalition Government, like the present, cannot be expected to submit such concrete plans as are possible with a Government composed of members of a solid political party; and here, perhaps, may be found the reason for the lack of ability shown in regard to the War Service Homes. There is no doubt that at all recent elections the party in power have done their utmost to induce the returned soldier and the people to believe that they are the friends of the soldiers, and to that end have made all sorts of conceivable promises. There is no excuse for the position in which the Government now find themselves. Ministers, like other members, represent constituencies, and they must have had brought before them the necessity of providing homes for our soldiers who marry here, or may have brought wives from the other side of the world. When a man marries, his first duty is to "find a cage for the canary"—to make a home for his partner

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in life; and in this regard the returned soldiers have shown a fine spirit. It was well known, when the return of our soldiers became imminent, that there were not homes available for them. As a representative of the industrial workers, and as an old worker myself, I can enter into their feelings, and fully appreciate the position of a man and wife, with two or three children, trailing the streets and looking for a place in which they can live with a little comfort. The Labour party shows by its platform that one of its objects is to insure that the men and women of Australia shall be able to live as human beings should in a civilized community. That is not possible at the present time, and the Government are not taking the proper steps towards a remedy. As I said, I do not intend to use information that has been laid before me as a member of the Public Accounts Committee, but that Committee has presented four reports in each of which is sufficient material to justify any Parliament which is watching the interests of the people to remove a Government like the present from office, and install another capable of conducting the affairs of the country without the mismanagement of which we have been witnesses. Every newspaper should chronicle, and every comic paper should ridicule, the Government's failure, and help to bring about a change; but as matters are to-day, the press sees only with "one eye," and there is no channel, whether in the State or Federal arena, by which the public may be informed of the true state of affairs.

The Assistant Minister, last night, after he had told us how the Government had done all the things they ought not, and had left undone those things that ought to have been done, wound up by announcing that they had changed their policy in regard to War Service Homes. I take it that it is now the intention to remove officials who have been employed in the War Service Homes Department for the last five years, and to select others from amongst the particular friends of the Government to fill their places. It is evident that the Government are now beginning to realize the "misfits" they appointed in the first place, and are now going to change their methods.

Mr. RODGERS.—The Government do not staff the Department—that is done by the Commissioner.

Mr. WEST.—The Assistant Minister is a young man in politics, or he would know that a Minister is responsible for the acts of his officers, and must suffer if they make mistakes. The idea of the Assistant Minister seems to be to appoint as chief of the Department some person connected with building and construction work in the States, with deputies similarly selected. The muddle is bad enough now, and if the Assistant Minister carries out what I take to be his intention, he will satisfy neither the soldiers nor the public. It is proposed by the Department to adopt the contract system in preference to day labour. I can only say that even if the Assistant Minister knows how to make two blades of grass grow where only one grew before, he knows very little about the purchase of land and the building of homes; indeed, one of the troubles from the start has been that persons with little knowledge have had control of the business. I may point out to him the fact that an ordinary building contractor, if he be an honest man, will not have anything to do with the building of single cottages, for the reason that such contracts are not sufficiently remunerative. The labour and the material for such work is very small, and so many different trades go to the construction of a cottage from start to finish that, as I say, the work is unremunerative. A contractor must have work elsewhere on which to employ his men, or cottages must be constructed in groups before he finds it worth while to tender. Even with the best of supervision the Government will not be able to build separate cottages and meet all the requirements of the case according to the wishes of Parliament. Under the contract system the cost of supervision will be enormously increased. One man can supervise the construction of only a few buildings, and where homes are being erected all over the country, an army of supervisors will be necessary to insure that they are faithfully built. A contractor builds cottages, not from philanthropic motives, but to make money. Homes built under contract will not compare with those constructed by day labour.

Mr. RODGERS.—Ninety-nine and three-quarter per cent. of the buildings in Australia have been built under contract.

Mr. WEST.—Ninety-nine per cent. of the members of this Parliament at one

time were said to be brainy men, but it does not follow that 99 per cent. of the members to-day are men of brains. Reference has been made during the debate to the great cost of War Service Homes. Apart from the mistakes that have been made by the Department itself, the cost of construction has not been unduly high. It is mismanagement on the part of the Department that has led to the piling up of costs. We shall always be able to look with pride on the homes that have been built by day labour. They are faithfully constructed, and are fitted with conveniences such as the well-to-do at one time could alone afford. It should be our endeavour to provide the working classes generally with such cottages. A man who poses as a friend of the returned soldiers said the other day that he could build a four-roomed cottage for £400. What sort of a cottage would it be? He might build for such a price a cottage of rough sawn timber, and line the walls and ceiling with sugar-bags which, when papered, would look presentable, but would really be a breeding ground for vermin and disease. The War Service Homes built by day labour have been well constructed of sound material. The walls are plastered and floated with Keen's cement, so that they present an absolutely smooth surface, and offer no harbor for vermin. These houses have also been painted with pure white lead and boiled oil instead of with a composition such as has been used for painting some of the contract-built houses. Our desire should be to supply our men with homes which are as comfortable as those which hitherto only the well-to-do have been able to obtain. We were told that we should emerge from the war a new world. Let us start out by giving our returned men and the workers generally well-constructed, sanitary homes. In building these War Service Homes the Government are studying the health of the people. It is said that the cost is too high, but it must not be forgotten that the repayments will extend over thirty years, and that, therefore, the homes should be so constructed that at the end of that period they will still be sound. If that is done, then should any of the men be unable to carry on their payments, the Government will have a substantial asset. If the Government decide that for the future all War Service

Homes shall be built under the contract system, the men will be discontented. We shall not get such satisfactory work as under the day-labour system. This Parliament promised that every soldier would be able to obtain a substantially built home on easy terms, and it is our duty to see that that promise is carried out. Some honorable members opposite are never tired of talking of the great resources of Australia, and of urging that we should encourage immigration. I read in the press the other day a statement by an ex-member that, when dining with the Governor-General, he expressed the hope that, before His Excellency's term of office had expired we should have an influx of at least 10,000,000 immigrants. As a matter of fact, we have not increased our population by 1,000,000 in ten years. If honorable members opposite are sincerely anxious to encourage immigration they should advocate as a first step the provision of houses in which immigrants may live. As it is, there is an acute shortage of housing accommodation in all our big cities, and the position in country districts is even worse. An immigrant who gets work in the country has very often to live in a shed at the rear of a public-house, leaving his wife and family in a room in one of our cities. Is it any wonder that, in such circumstances, people prefer city to country life? If better housing accommodation were available in country districts more people would be encouraged to settle there. The shire councils should bestir themselves, since with an increased population they would be better able to carry out their responsibilities.

I can tell at a glance whether or not a house has been properly built. As a member of the Public Accounts Committee I visited Tasmania a few days ago, and saw in one district there five cottages, built by day labour, which for faithful construction are not to be surpassed. On the other hand, we got a shock when we looked at some of the War Service Homes that had been built under contract. I urge the Government to reconsider their decision to adopt the contract system. There certainly has been mismanagement on the part of the Department, but there is still hope of salvation if the remaining homes are built under day labour. These homes should be thoroughly well built,

and free from any cause of complaint. The heavy cost of some of the houses that have been constructed has been due to bungling in administration. In the case of two cottages that I know of I should have been glad to put in the foundations for £30. The Department charged to one of these jobs eighty-six bags of cement, although only four had been used, and to another fifty-eight bags, and in it about the same quantity had been used. Honorable members can understand why, under a costing system like that, soldiers have come to think that the houses are too expensive. It would, however, be possible to make out proper bills of quantities. The cubing system of costing is not applicable to cottage building, because the more you keep down height, the greater the cubical cost; but with proper bills of quantities, and proper charging of labour costs, you can get at the actual expenditure on a building to within £5 or £6. Of course, estimates are often exceeded, because, when a man brings his wife to see the partly-finished building, she wants a cupboard here, or a wardrobe there, or a larger sink in the kitchen; and the husband, being a good fellow, says, "Darling, you shall have all these things," and he asks for them to be supplied. It is right that the men should have houses in which they and their wives can take a pride. The time has gone by when it can be considered good enough for any Australian to give him a cottage built of rough timber, lined with hessian, on which a cheap wall paper has been pasted. The better the dwelling that a man has, the more contented will he be, and the better citizen will he become. Had the Labour party been in power the conditions of the soldiers would have been improved, because we know their wants, and we would have recognised the true Australian spirit. The citizens of a proud and dignified nation demand something more than rough constructions of weatherboards to dwell in. If the Department goes back to the contract system, it will find every "Johnny-come-lately," every schemer, rushing to it to get a contract, which is what occurred when the Commission first started its work. Men having a few pounds in their pockets tried to become contractors, and many of them could not carry out their

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contracts. The ordinary builder will not undertake the erection of cottages, because it does not pay. I have urged the creation of a Department for the proper carrying out of these building operations, and the employment of men who would do good work, so that satisfaction might reign in the community instead of discontent. No member is pleased with what the War Service Homes Commission has done. Week after week, and month after month, complaints come to us from soldiers. We hear from men who have been eight and nine months trying to get a home. In a case that I know of, a man had to shift his wife and bairns from one house to another until he had been in four lodgings before the home which the Department had contracted to provide for him was ready. Every member gets these complaints, though, as I represent a city constituency, and am known from one end of Sydney to the other, I may get more than my share of them. We must improve matters. But the proposals of the Government, if adopted, will lead to further trouble and discontent. When the War Service Homes Act was passed Parliament hoped to provide habitations for its returned men, and it thought that if there should be an oversupply the surplus could be used by ordinary citizens. Now it is found that it may be ten years before the Department can satisfy the demand for soldiers' homes. The Government has ignored the wishes of Parliament in this matter, and has displayed an incapacity such as has been shown by no other Administration, Federal or State. I am not saying this to catch votes, because I have no need to do that. My desire is to remove the present discontent, and to help the soldiers who desire to get homes of their own. I should be a traitor to my country if I did not give to the Government the benefit of my knowledge, and point out the errors into which Ministers have been led. The statement made by the Minister last night caused me considerable regret, because I felt that he is following the wrong path, and that his policy will make things worse than they are. Even if it were to add 5 per cent. to the cost of administration it would be better to adopt the day-labour system, because, under that system, our soldiers will get homes fit to live in, and the Government

will have a real and proper asset for its expenditure. Such homes will be built as will make those who live in them happier and better citizens.

Mr. JOWETT (Grampians) [8.44].—

I rise, not to condemn the administration of the War Service Homes Commission, but rather to praise what has been done by it, especially since our highly-esteemed friend, the member for Wannon, has been Assistant Minister for Repatriation. Last night, however, in a somewhat chastened spirit, he asked not for destructive, but for helpful criticism, and it is to make such helpful criticism that I now address myself to the House. For what the Department has done in the direction of building homes for soldiers generally I have nothing but praise to offer, that is as regards their activities in the principal metropolitan cities of Australia and their suburbs. So far as I am aware, however, very little has been done for soldiers desiring to have homes erected for them, or to be assisted in purchasing homes in country districts. I have been endeavouring to ascertain if there is a single War Service Home in the electorate of Grampians, but my investigations hitherto have been of a negative character. Perhaps other country electorates have been more signally favoured. In this mild criticism of policy I am not directing censure upon the Assistant Minister (Mr. Rodgers). Indeed, since he has taken over control of the Department some inquiries, at any rate, have been made with respect to country homes for returned men; and I have sufficient faith in the Minister to believe that, in course of time, some War Service Homes will be erected outside of metropolitan areas and their suburbs. Meanwhile some of our returned heroes have undertaken to buy country properties, and, under the terms of the Act, they have sought financial assistance from the Federal Government.

Mr. RODGERS.—I am having a return prepared concerning the homes built in every electorate in the Commonwealth. The honorable member will be able to see how soldiers and their dependants in Grampians have fared, and he will be able to make comparisons. Incidentally, I might mention that the returned men in his electorate appear to be well satisfied

with their lot. They have made remarkably few requests or complaints.

Mr. JOWETT.—I am sure that they are the best returned soldiers in Australia. I would be surprised, indeed, if there were many complaints from the Grampians. I do not propose to point any adverse criticism at the War Service Homes Branch, but I have been asked to bring one specific matter under the notice of the Minister. I refer to a returned soldier in the Woodend district, particulars of whose case were contained in a letter addressed to myself, and dated 8th February last, from the secretary of the local Repatriation Committee at Woodend. It is as follows:—

My Committee has asked me to refer to you the case of J. Mooney, who applied to the War Service Homes Commission in May, 1919, for a loan to pay for a house he has bought. He paid £200 for the house, which is worth about £350 to £400; and he asks for a loan of £100 to £150. I have written many letters *re* this case, but it still drags on.

The writer interposes with the expression of a trenchant opinion concerning the Department, and he concludes:—

Could you have something done to get the case finalized? It is a pity it should be necessary to bother you, but it seems the only way.

I did what I could, and the result, up to a certain stage, at any rate, was satisfactory; for on the 22nd February I was able to write to the secretary at Woodend as follows:—

I have pleasure in enclosing herewith a letter I have received from the Deputy Commissioner of the War Service Homes Department. I am pleased to note that Mr. Mooney's case has been finalized, and that he has been advised that approval has been given for an advance up to £105 for the purpose of discharging the mortgage on the property.

The people interested at Woodend were pleased that, in so brief a period as fourteen days, following upon a delay of about two years, the case was brought to finality. Unhappily, however, I received another letter from the Woodend Repatriation Committee, dated 12th July, which read as follows:—

I am sending you with this letter the file of J. Mooney's application for loan under War Service Homes Act, which you were good enough to look into for me in February. As a result of your action, Mooney's case was finalized within five days; but, in spite of the finalization, Mr. Mooney has not yet received the money.

Mr. HECTOR LAMOND.—Then, what is the meaning of finalization?

Mr. JOWETT.—That is just what I want to learn. The letter continues—

During the existence of the Committee we have had three applications under the War Service Homes Act. One man, F. A. Giles, of Macedon-road, gave up a long time ago, after waiting a year.

These returned men must live. They cannot be waiting for an indefinite period for promised assistance which, in their view, will never materialize.

Mr. HECTOR LAMOND.—The honorable member is approaching dangerously near to criticising the Department.

Mr. JOWETT.—I have not undertaken to refrain from doing so. My purpose is to be helpful, and not to indulge in destructive criticism. My correspondent continues—

M. J. Boniter has now just given up after one year's waiting. The third—Mooney—has hung on for two years and two months, and will wait to see it out.

This man is a sticker, and he deserves to succeed in his purpose. The letter concludes—

Personally, I think the officials must have instructions from the Government to fool the applicants till they give up in despair. I now advise all applicants to have nothing to do with War Service Homes. Could you not take some action in the House to help the soldiers in this matter?

I bring these cases to the generous and sympathetic consideration of the Minister. I trust that in future, while no less attention is paid to the construction of homes for returned men in the chief centres of Australia, more attention will be devoted to building houses and providing loans for the purchase of homes in country districts.

Mr. RILEY (South Sydney) [8.58].—I was somewhat disappointed by the statement of the Minister (Mr. Rodgers) last night. When our men returned from the war they were promised that the Government would provide them with homes at the lowest possible cost, and at the most reasonable rates of interest. Inducements were offered in such attractive forms that there were very many applicants for War Service Homes. Great numbers of returned soldiers, however, are still waiting. I admit that the Department undertook a gigantic task in creating an organization for the construction of these houses. But the task has been in hand for nearly five years now,

and the Minister admits at this stage that the Department has been a failure.

Mr. RODGERS.—I have admitted no such thing as a building failure.

Mr. RILEY.—The fact that the Minister has said that the present organization is to be brought to a conclusion, and the work of building handed over to contractors is, in itself, absolute condemnation of the Department. The statement proves that the Department has been a failure.

Mr. RODGERS.—I admit no such thing. There was an emergency, and we met the emergency.

Mr. JOWETT.—I think the Department have done their best; the Minister certainly has.

Mr. RILEY.—The honorable member may look at the matter from his point of view; I look at it from mine. The Commission has built a number of War Service Homes, and has now a revenue from them of over £800,000 in repayments and interest.

Mr. RODGERS.—That does not indicate a continuous revenue to that amount. Some of the moneys received were deposits.

Mr. RILEY.—The Commission will have a continuous revenue, and in a year or two will be self-contained and able to build further homes without borrowing more money; the repayments and interest will finance future construction. I understood that the Department was to be run upon business lines, but, with the concurrence of the Minister, the Commissioner has incurred the expense of buying timber areas and mills in Queensland. When those commitments were entered into the Department must have intended to continue building homes. Nearly £500,000 has been spent in purchasing timber areas and mills, and now, when the scheme is nearly completed, the Government have the hardihood to tell us that future construction is to be done by contract. What is to become of the timber areas and all the accumulated supplies?

Mr. RODGERS.—We propose, under the contract system, to utilize all the materials we have in hand and all running contracts. The materials will be supplied at schedule prices to the successful contractors.

Mr. RILEY.—A contractor will not take dictation from any Department as

to where and how he is to buy his supplies.

Mr. RODGERS.—He will get a contract only if he accepts our terms.

Mr. RILEY.—Now we are getting deeper into the mire. If these conditions are imposed on the contractor he will increase his price. The Government say that day labour has not been a success, and that the contract system has been more satisfactory. That may or may not be a fact, but my own impression is that, with a competent staff of architects and clerks of works and Government purchases in large quantities of timber, cement, nails, and paint, and, if necessary, manufacturing their own bricks, the Department can build cheaper than can any contractor. Yet, after having involved the country in an expenditure of £500,000 on account of timber alone, and further immense sums for the purchase of land, and probably contracts for iron, paint, and nails, and after having got together a huge organization; the Government propose to abandon the whole system of Departmental construction. Do the Government intend to confine the soldiers to the areas that have been purchased, or are they to be allowed to buy areas for themselves?

Mr. RODGERS.—I said that, whatever advantages we gained by entering into contracts for the purchase of materials, we lost on the operation of the day-labour system.

Mr. RILEY.—If there has been a loss on day labour, it is due to the maladministration of the Department. I know of men who were sent on to jobs, and on arrival found no material there for them to work on.

Mr. HECTOR LAMOND.—That is where the shoe pinches.

Mr. RILEY.—Yes, and yet the Government blame the day-labour system for the excessive costs of construction. The War Service Homes Department is a disgrace to the Commonwealth, and the more we investigate it the more disgusted we become that it has been allowed to continue unchecked for so long. Does the Minister propose to abolish the Department? If all the construction is to be done by contract there will be no need for a Minister of Repatriation and staff

to organize the construction of War Service Homes.

Mr. RODGERS.—Is it not necessary for a building society that does not carry out its own building operations to have a staff? But we propose to materially reduce the staffs and overhead charges.

Mr. RILEY.—It is not necessary to have a Minister for Repatriation and a Departmental staff. If the Government wish to go the whole hog, and save money, the proper thing to do is to abolish the Department and arrange with the Commonwealth Bank or private banks to finance any soldier who desires to build a home. Apparently, the Ministry of Repatriation will be still in existence, and the Minister will certainly have a staff; but the whole of the actual business will be done by private architects and contractors; all the Department will have to do will be to provide the money. That could be done by the banks, and so the need for a Department and officers would disappear.

Mr. RODGERS.—It would not concern me very much if we did get rid of the Department, and I said last night that we had fixed a period of two years within which we hoped to finish our work.

Mr. RILEY.—I do not blame the Minister. The whole of this bungling has been the fault of the men who were not big enough for their jobs. No Minister could supervise in every State what was taking place, but the condemnation of the day-labour system, because of the failure of the Department, is a slander upon the workmen engaged in the building trade. The Assistant Minister stated last night that Lieut.-Colonel Walker had given preference to returned soldiers. That is quite right so far as it goes. Then he said that the Commissioner had not received a fair deal because of the go-slow policy of the men in the building trade. That was a reflection upon the returned soldiers who were working for the Department.

Mr. RODGERS.—I merely stated that Lieut.-Colonel Walker himself had said that.

Mr. RILEY.—Exactly; he said he did not get a fair spin, because of the policy of going slow on the job. That is a slander upon the returned soldiers to whom he gave preference. I resent that statement. I have been on many of these jobs, I have seen the men at work, and their labours were a credit to them. The War Service

Homes scheme was a fine idea if properly carried out, and I regret that, because it has been a failure in some respects, the Government are rushing to the opposite extreme. I prophesy that if they build as many homes under the contract system as they have built by day labour, they will have 50 per cent. more complaints. Any man who accepts a contract tries to make as much money out of it as he can.

Mr. RODGERS.—I admit that the contract system requires tight inspection, carefully-drawn contracts, and close supervision on the job.

Mr. RILEY.—If the contractors are to be watched at every turn, the cost of the buildings will be increased. A contractor's first object is to get the job done cheaply, and, if possible, evade some of the specifications, and scamp the work. The Government are doing a great injustice in blaming day labour for the failure of the War Service Homes policy. It must be remembered that the cost of living, and building materials, and wages have increased at least 30 per cent., but to-day the price of timber is falling, bricks are cheaper than they were, and the price of paints is decreasing. On the eve of this decline in material costs the Government are about to adopt the contract system, and next year we shall have a report that so many houses were built under that system so much cheaper than by day labour.

Mr. CHARLTON.—There is evidence that the prices of materials are falling now.

Mr. RILEY.—Yes, and perhaps wages, too, will fall in some trades. The contractors are being brought into the scheme when everything is tending in their favour and against the day-labour system.

Mr. FENTON.—First-class Tasmanian weatherboard is being sold to-day at 20s. per 100 feet.

Mr. RILEY.—Kauri is being imported wholesale, and the prices of timber generally are at least 30 per cent. less than they were. The price of Oregon has dropped nearly 50 per cent., and that is the best timber that can be put in a house for roofing. I very much regret that the War Service Homes Department has not been more successful.

In regard to the position of the ex-Commissioner (Lieut.-Colonel Walker), I doubt very much the statement made by Senator Millen, in another place, that

he did not see the telegram in which that gentleman's insolvency was mentioned. I can hardly credit that the Minister in charge of Repatriation, when appointing an officer to take charge of this enormous expenditure, which has amounted to about £14,000,000 to date, should have been so careless as not to look at a telegram that had a very important bearing upon the proposed appointment.

Mr. HECTOR LAMOND.—It is very doubtful whether the telegram was on the file when the appointment was made.

Mr. RILEY.—Mr. Gilbert, the former Comptroller of Repatriation, has stated in to-day's *Herald* that the telegram was in the Department, and that Senator Millen saw it more than once. He is a man whom I have known for a number of years; he is straightforward and capable, and his word may be relied upon.

Mr. HECTOR LAMOND.—The documents will speak more effectively than any statement.

Mr. RILEY.—If the ex-Commissioner was not big enough for his job, the Government should have had the courage to say to him, "You have had a fair chance and you have failed to come up to requirements; therefore, we must get rid of you." It is only fair to Lieut.-Colonel Walker to say that he may have been handicapped when he first started operations by the fact that the Timber Combine and the Brick Combine tried to raise their prices against him. They thought that because the Commonwealth Government were embarking upon this big policy of house construction there would be a scarcity of building materials, and so they refused to come to the aid of the Commissioner and held back materials with the object of getting bigger prices. Inasmuch as Lieut.-Colonel Walker may have had to pay higher prices than were just, he is entitled to sympathy. I inspected a number of the War Service Homes cottages built in New South Wales under the group system. I saw some of the houses absolutely complete, but not occupied, although returned soldiers were anxious to take them. When I asked the reason, I was told that the Department was deferring occupancy until the whole group was complete. As soon as a cottage was finished, a soldier should have been put into it.

Mr. RODGERS.—It is one of the drawbacks of the day-labour system that the cost of a house cannot be known until the group is completed.

Mr. CHARLTON.—That is a drawback, irrespective of whether it is contract or day labour.

Mr. RILEY.—It cannot affect the man's going into a house when it is finished. If six houses out of eighteen are finished those six houses ought to be occupied, and thus reduce the cost of the others. To keep all the houses waiting until all are completed in order to strike an average is a course without justification.

Mr. FENTON.—Matters could be adjusted afterwards.

Mr. RILEY.—Precisely. Personally, I may say that the homes I have seen in New South Wales are of a very good, high-class type, which I do not think the soldiers will regret purchasing. I am sorry the Government are abandoning the policy they have hitherto pursued. Sawmills have been purchased, and other arrangements made for the supply of cheap timber, and now it is proposed to hand the business over to the contractors. The Minister ought to have put his "back up" and insist on a new staff, and then have held the Commissioner responsible for the completion of the cottages at a certain price. The Government could certainly buy much more cheaply than any contractor could; and I hope the Minister will yet see the advisability of giving day-labour another chance under new and better management.

Mr. BRENNAN.—Does that include a new Government?

Mr. RILEY.—A new Government will come in due course—we are waiting patiently. There are other honorable members who desire to speak, and there is other business to do, and I shall, therefore, reserve my further remarks on this question until we have the Budget before us.

Mr. HECTOR LAMOND (Illawarra) [9.17].—I presume that the changes indicated by the Assistant Minister for Repatriation (Mr. Rodgers) will be effected by means of legislation, and this will enable us to deal more effectively with some phases of them. It is not conceivable that the Government will tear up an Act of Parliament which was passed a brief

time ago and substitute for the organization set up under that Act an entirely different one, without the authority which they can only secure by means of legislation repealing the old measure.

Mr. RODGERS.—The present Act provides for day-labour just as it does for building under the other system.

Mr. HECTOR LAMOND.—Under the Act the Government are morally bound to appoint a Commissioner clothed with the powers the Act gives him to carry out the work. The substitution for that officer of a Minister, and without the authority of Parliament, would be a serious invasion of the rights of the House.

Mr. RODGERS.—I indicated the necessary legislative changes.

Mr. HECTOR LAMOND.—I do not suppose that such a thing as I have suggested is contemplated. As to the past defects of administration, I think it is unnecessary to say anything; they are so obvious, and have been so repeatedly placed before Parliament and the country that any good purpose that would be served by a review has already been achieved. But we should be lacking in our duty if we permitted a new system to come into being without applying to it the results of our past experience. I wish, first of all, to challenge the attitude which has been taken up by successive administrators of War Service Homes, whether they be the Commonwealth Bank, the Commissioner, or the Minister with reference to the question of purchasing homes already in existence, and the closely allied question of allowing the soldier to build his own home as he himself wishes, and then having his mortgage taken over, as the Act contemplates. I believe the most satisfactory settlement is that of soldiers in homes of their own selection. The soldier does not desire to go into group settlements away from his own people and industrial centre; he wishes to be like other men, free to choose the home apparently best suited to his conditions and his social life. Parliament set out first with the idea of enabling soldiers to get homes; and the principle of the organization should be, not the ideas of some gentleman as to how garden cities should be created, or how people should be grouped in this or that way, but to allow the soldier to do

what he himself wishes to do, and not something that somebody else thinks he ought to do. The initial blunder in the organization has been that too many people who have touched it have done so with the desire to graft on to it some fad of their own—have forgotten that the soldier has just the same rights and desires as any other member of the community. To-day he is not a soldier, but a civilian who has earned the right to special consideration, which will take the best form if it enables him, in his own way, to select his home where he pleases. Much of the financial troubles which have worried the Treasurer considerably arise from the wide departure from that principle in the beginning. Had the money that has been devoted to those fanciful schemes of future homes been devoted to securing homes already in existence, or erected under the supervision of the soldier, we should not now be confronted with the difficulties arising from shortage of funds. The timber scheme in Queensland was discussed by this House. I have no doubt that if the object is to look forward to a building scheme enduring for ten, fifteen or twenty years, that, probably, was a very wise investment, but, in my judgment, the money would have been much better applied to the purchase of houses already in existence, or to enabling the soldier to make his own contract according to his own plans. Thousands of men would then have been doing the same thing at one time, and this would not only have relieved the Department of the anxiety of supervision and so forth, but would have immensely aided in the speedy completion of the job.

Mr. RODGERS.—The Government still stand by the policy of homes as provided by section 20, with the exception that, as to already-built homes, the purchase is restricted considerably.

Mr. HECTOR LAMOND.—Why should the Department say to the soldier that he should not purchase the house he is living in, but should take a Government house? A case has come under my notice in which a soldier was threatened with penalties if he did not take a house that he did not like that had been erected by the Commission, although there was another house that he preferred.

Mr. RODGERS.—Personally, I have not been devoted to the principle of group building.

Mr. HECTOR LAMOND.—No, but still the Department is doing what I have said, and, in the honorable gentleman's remarks last night, I regretted to still find that antagonism to allowing the soldier to buy a house already in existence. There are many cases within my own knowledge where a soldier was living in a house before he went to the war, and, on his return, wished to remain in it. The owners were willing to sell, and, as occurred within my own circle of soldier friends, were prepared to concede conditions that they would not give to any outside purchaser. One of the first cases brought under my notice was that of a young friend who returned, and, after looking round, found a house to suit him. He was about to be married, and was glowing with satisfaction that he had got the kind of house which he desired, and which the proprietor was prepared to sell as a bargain. Four months later I met him in the depths of despair; the Department had turned down his application after keeping him waiting for months, and within seven days of that occurring the property was purchased by one of the shrewdest friendly societies in Sydney for a member at a price very much in excess of that offered to the soldier. Who can say that the interests of the soldier were conserved by the Department, which forced him to pay £100 more for a house the Department wished him to buy than he would have had to pay for a house that he himself desired? Then, again, there is the case of a soldier who buys a block of land, has his own plans prepared, arranges with a contractor on mortgage, and then applies to the Department. Such a man is met with no encouragement. In one case the business with the Department commenced nearly two years ago, and it is only two months since the man got his mortgage transferred. The Department should have said to the soldiers, "Find the house you want and we will help you; if you erect a house that you desire, we will finance you to the same extent, and take over the mortgage." If that had been done, we should have had thousands of houses erected without any trouble about day labour or

contract, and erected under the best of superintendence, namely, that of the men who were going to live in them.

Mr. RODGERS.—Out of a total expenditure of £7,500,000 for homes last financial year, the conditions the honorable member suggests in regard to the soldiers' own wishes were observed to the extent of £3,268,000 worth of homes.

Mr. HECTOR LAMOND.—Then why was so much antagonism shown to the idea last night? I undertake to say that there have been no complaints from the soldiers thus treated.

Mr. RODGERS.—We have had a very definite complaint and a very real experience. It was found we were hoisting the value of real estate and helping speculators to buy or erect homes, and get soldiers to hurry into them, rather than buy the more substantial buildings of the Department.

Mr. HECTOR LAMOND.—If the Assistant Minister went around and saw the homes to which I refer, he would find that that is the attitude of interested persons in regard to the proposition. No doubt, a lot of jerry-builders set out to provide homes; but if we have a Department capable of supervising the erection of £6,000,000 worth of homes a year, we could surely have a small Department capable of seeing that homes purchased are of a proper kind before taking them over. My experience may be different from that of other honorable members. I have not met a single case in which the soldier has said that the home he himself has selected has proved jerry-built or unsuitable.

Mr. RODGERS.—I wish that was my experience.

Mr. HECTOR LAMOND.—Well, it is mine. There are many homes erected—and it is no use blinking the fact—under the other system that have been too costly—homes into which material has been put that the civic authorities would not allow in the case of private homes. I say this because I think it ought to be said. I am not blind to the fact that the statement does not apply to the great majority of the homes which have been erected, and I do not seek to depreciate the splendid service that has been rendered to the

soldiers by the War Service Homes Department. But we are here to see that every penny spent is expended in the best interests of the soldier, and in accordance with his own wishes. I hope we have heard the last of what seems to have been a steady attempt to prevent a soldier from getting the house he wants, and to compel him to take a house that he does not want merely because it has been built by the Commission.

Mr. RODGERS.—I can assure the honorable member that there is to be no more speculative building by the Commission. In future every house built by the Commission, whether built under contract or otherwise, will be in response to the application of an individual soldier.

Mr. HECTOR LAMOND.—That will be very much better. I hope also that some check will be put upon the acquisition of large areas of land. I am satisfied that some large areas have been acquired, not because it was thought that they were wanted by soldiers, but because some one has had a good "cut" out of the money so expended. In that regard we have been altogether too free in allowing subordinate officers to make large purchases without reference to the local Repatriation Committees or the Minister. These are faults that can be remedied.

I turn now, briefly, to another phase of this question, which to me is of very great importance. I read a few days ago a statement made at the time the War Service Homes Bill was before the House that it was anticipated that the average cost of settling a soldier on the land would be £1,500. I heard in the course of the debate yesterday that the Treasurer regarded almost with equanimity the suggestion that it was going to cost us £3,000 for every soldier settled on the land.

Mr. RODGERS.—No.

Sir JOSEPH COOK.—I think it is a scandal.

Mr. HECTOR LAMOND.—The Treasurer would render a great service to the Commonwealth if he put his pruning knife as deeply into that side of the expenditure as he proposes to do in so far as the building of War Service Homes is concerned. The Commonwealth should not provide another penny for the settlement of soldiers on the land by the States unless it first knows that that settlement is being conducted in the interests

of the soldiers themselves, and not in the interests of either the States or the land speculators. My view in regard to this matter is unchanged. When the original Bill was before us I urged that we should not allow one penny to be spent on soldier settlement by the States on behalf of the Commonwealth unless we had our own officers supervising that expenditure. I still hold that opinion.

Sir JOSEPH COOK.—I sent out a circular as recently as February last to all the State Governments—I had to take this action for my own protection—telling them that they must not incur any mere obligations of any kind with respect to soldier settlement without reference to the Commonwealth Treasury.

Mr. HECTOR LAMOND.—That was necessary because the system is open to abuse. If a State desires to resume an estate of, say, 100,000 acres, it can resume it ostensibly for soldier settlement, and yet not put a soldier on it. In my State we have not that confidence in some of the officials connected with these resumptions that may be entertained by people who have had nothing to do with them.

Mr. JOWETT.—Victoria is a good State.

Mr. HECTOR LAMOND.—The habit which Victorian representatives have of throwing bouquets at one another is not of much use to those in this Parliament who have practical work to do. The idea that the Commonwealth can provide anything in the region of £3,000 for every returned soldier who wants to make a living on the land is absurd. It is most unfair that the money we are able to raise for repatriation services should be used in that way. The £3,000 expended in settling one man on the land would provide homes for four returned soldiers and their families. I hope, before we meet again, there will be a very careful examination of the result of the expenditure on soldier settlement, and that an attempt will be made to ascertain what the settlement of each soldier has actually cost. I hope also that there will be an examination to determine whether the money we are spending on soldier settlement could not be better diverted, for a time at all events, to the establishment of soldiers in their own homes.

Mr. RODGERS.—In respect of future land settlement, our obligation is limited to £1,000 per soldier.

Mr. HECTOR LAMOND.—Is the Minister able to say what is the obligation of the Commonwealth at this moment with regard to land already resumed by the States?

Sir JOSEPH COOK.—It amounts to considerably more than that.

Mr. HECTOR LAMOND.—It must do.

Mr. RODGERS.—Up to date we have expended on soldier settlement roughly £26,000,000, leaving about £22,000,000 yet to be found in respect of the approved programmes.

Mr. HECTOR LAMOND.—Spread over how many years?

Mr. RODGERS.—That amount will cover the whole of the approved programmes as between the Commonwealth and the States.

Mr. HECTOR LAMOND.—I am not familiar with the formula by which that has been arrived at, but surely it must have contemplated the spreading of the expenditure over a period of, say, three, five, or seven years.

Mr. RODGERS.—There were two conferences, at which the States were asked to forecast their programmes, and to tell us how much money they would want to give effect to them. The figures I have named will cover the whole of the programmes to which we are committed.

Mr. HECTOR LAMOND.—Then I hope that a new conference will be called, and that we shall tell the States that we are not going to carry the whole burden of land settlement in Australia upon the plea that we are settling soldiers on the land. In some of the States very little land settlement other than that for which we are paying is being carried out.

These are the principal matters to which I desire to refer. I could cite a good many cases, but I do not think that the National Parliament should divert its attention from the big issues involved in this question. It is most important in the interests of the soldiers and the welfare of the country that War Service Homes should be provided for our men as quickly as possible. As I mentioned the other day, a returned soldier marries in the belief that he will be able almost at once to get a home for himself. He puts in an application for a War Service Home, but the months go by, and nothing is done for him. I know of soldiers who are living in two or three-

roomed houses devoid of the ordinary conveniences of civilization, to which they took their newly-wedded wives in the belief that homes would be quickly available for them. They have had to keep them there for the last twelve months, and there is every prospect of their remaining there for another year before the homes which they were promised two years ago will be provided for them. I hope that the energies of the Department will be turned into the channel of providing homes in preference to big areas for soldier settlement; that it will consider first of all the soldier's requirements, and that if it cannot make available the necessary homes, it will allow men to purchase houses already built, or to erect homes for themselves.

Mr. FENTON (Maribyrnong) [9.40].—This is one of the most important matters that the House has been called upon to consider. I am afraid we shall have considerably more trouble in giving effect to the programme outlined by the Minister (Mr. Rodgers) last night than we have had in connexion with the programme that the Government have been endeavouring to carry out. Unless the War Service Homes Commissioner was sadly at fault in estimating his requirements, it will be found that the provision of £4,000,000 for the services of the Department during the present financial year is altogether insufficient. Crowds of soldiers have long been clamouring for houses. Instead of making an increased effort to satisfy the demand, the Government are cutting down the operations of the Department by providing for it in respect of the current financial year, only £4,000,000, although in the first six months of last year £6,000,000 was expended by it. The Commissioner asked for £10,000,000 in respect of the last financial year. The Treasurer cut down the amount to £6,000,000, with the result that the whole of it was spent during the first half of the year. I take it that the Commissioner must have based his calculation upon some reliable data. He estimated that for the three years following the commencement of building operations he would require from £6,000,000 to £8,000,000 per annum. The competition for houses is becoming keener than ever, yet the Government are adopting the short-sighted policy of reducing by one-half the amount hitherto available

for the War Service Homes Department. Ordinary building material, such as timber and bricks, have been costly and difficult to secure, and attention might well have been directed to other suitable materials. We find men to-day building houses, not of weatherboard, bricks, or cement, but of fibro-cement or durabestos, which is made of Australian material, is fireproof, and makes a fine house.

Mr. HECTOR LAMOND.—The Department refused to finance a soldier in my electorate because there were three sheets of that material in the house which he wished to purchase.

Mr. FENTON.—That is absurd. A man who has been in the building trade for some years assures me that durabestos and fibro-cement are among the best of building materials. The Government seem to be panicky in regard to the building of soldiers' homes, and are swinging away from the programme which they entered upon only a few months ago when they purchased large timber areas designed to serve a building campaign extending over at least three years. As the honorable member for West Sydney said, the Government spent nearly £500,000 on acquiring these rights, and it paid for them half in cash and half in bonds bearing 6 per cent. interest, which gives the vendors a good return on a very safe investment. But after setting out to thus supply itself with material independently of the exploiting middleman, the Government has reversed its policy, and is going to get rid of half of these timber areas, selling them back, I suppose, to their former owners. I should like to know at what price. There has been a complete reversal of policy, and the building programme has been cut down by one-half. In the face of experience, the contract system is to be maintained to the exclusion of the day-labour system, from which the better results have been obtained. The preamble of the Minister's speech last night was a condemnation of the mismanagement of the War Service Homes Commission.

Mr. RODGERS.—I do not think that.

Mr. FENTON.—Taking the actual language used, and also reading between the lines, it must be regarded as a serious indictment of the Commission.

Mr. RODGERS.—The press has not put that interpretation on it.

Mr. FENTON.—I have not read any press comment on the speech.

Mr. RODGERS.—The reports of the speech published in the newspapers do not emphasize the fact that I condemned the administration of the Commission.

Mr. FENTON.—The Minister spoke for an hour and a half, or for an hour and a quarter, and he wishes us to accept the abbreviated newspaper reports of his speech in place of what we actually heard from his lips.

Mr. RODGERS.—The honorable member for Herbert (Mr. Bamford) said that my speech was a eulogy of the Commission.

Mr. FENTON.—The Minister would move uneasily in his chair, and, perhaps, even rise to order, were I to accuse him of having praised the administration of the Commission. I think that my interpretation of his speech will be indorsed by honorable members on both sides. Unfortunately, he has become panic-stricken. He has had the assistance of advisory Boards and Committees, and the result seems to have confused him and his colleagues, who are now rushing to extremes. The houses which on investigation have been condemned have been those constructed by contract. Had I, as one of the guardians of the public purse, to choose, in the interests of the soldiers, between the contract and the day-labour system, I would choose the latter, of course under proper supervision. The investigation that has been made by the Public Accounts Committee shows that system to be the better. The day-labour system was not given a chance by the Commission. No one would advocate its adoption except under proper supervision; but with such supervision, and the employment of the right men, it will give better results than the contract system. Suppose the Minister's contention to be right, that the day-labour houses cost £90 more than the contract houses, is it not well to have two competitive systems in operation, for the sake of the comparison which it affords?

Mr. RODGERS.—There is something in that; but we can always employ day labour if we find the contract system unsatisfactory.

Mr. RILEY.—But you are scattering the organization got together for the carrying out of the work with day labour.

Mr. FENTON.—Yes. The Commission made an arrangement for obtaining supplies of timber, cement, and, I think,

bricks and other materials, and, with a little better organization and supervision, it might have been expected to get good results. It was operating when the buying of building materials was a veritable gamble, and was driven to lengths to which it should not have had to go because private individuals dealt unfairly with it. Those who had been waving the flag and pumping out patriotic sentiment tried to extort the last penny from the Commission, charging it more than they were charging private individuals. The Commissioner complained to Senator E. D. Millen, who was a private-enterprise man from the crown of his head to the soles of his feet. That Minister, speaking of houses erected by day labour at Bell, referred to the splendid work that had been put into them.

Mr. RODGERS.—Had the work turned out as was expected, he would have had justification for his statements, but, on completion, the buildings cost approximately £135 more than they should have cost.

Mr. FENTON.—At any rate, according to the Minister's own testimony, the day-labour system has not had a fair trial, as any jury or Court would say.

Mr. RODGERS.—I told the House last night that I should be pleased if my statement caused the matter to be threshed out here, so that we might have a clear understanding of the views of honorable members on the subject.

Mr. FENTON.—But the Minister told us that he had discarded the day-labour system in favour of the contract system.

Mr. RODGERS.—Because 1,400 houses built by day labour were in excess of the statutory cost, the total expenditure on them being £130,000.

Mr. FENTON.—The Public Accounts Committee has taken a great deal of evidence about the administration of the Commission.

Mr. RODGERS.—It has helped the Department very much.

Mr. FENTON.—I do not want it to be thought that I have come to an opinion in matters that have not been fully investigated by the Committee; but I wish to say that the evidence has convinced me that the day-labour system had not a chance, because of the method, or want

of method, in the way in which material was sent to the sites on which buildings were to be erected.

Mr. RODGERS.—Why is Labour opposed to "labour-only" contracts, which would test the value of the day-labour system?

Mr. GABB.—Because they are to the application of piece-work.

Mr. FENTON.—How is it that the Government does not apply the contract system to its architects, engineers, and public servants generally? The Public Service is run on the day-labour system; but, if it is fair to apply the contract system to the men who lay bricks, put down flooring, do plastering, and the like, it is fair to apply it to every one else. We should not say to the members of a particular class, "You are the only persons in the community who are not prepared to do the fair thing."

Mr. RODGERS.—I do not say that.

Mr. FENTON.—Then what influences caused Ministers to change their policy in this matter? The insurance scheme adopted by the War Service Homes Commission is a good one.

Mr. RODGERS.—I admitted that last night.

Mr. FENTON.—Are you going to continue it?

Mr. RODGERS.—Yes.

Mr. FENTON.—Without allowing private companies to come in?

Mr. RODGERS.—Yes.

Mr. FENTON.—I am glad to hear that. The success of the scheme affords a splendid argument for the Commonwealth taking over the whole insurance business. By doing so it would make a lot of money.

Mr. RODGERS.—It is the Commonwealth's own property that we are insuring. We cannot compel outside people to have their private properties insured through the Commonwealth; but, with respect to our own properties, the Government can take a risk.

Mr. FENTON.—Of course; but if the Government were to announce to-morrow the opening of a fire, marine, and life insurance Department, considerable business would be secured, and very satisfactory profits would accrue from the first year's undertakings.

Mr. RODGERS.—We would immediately have to set up as competitors, and would

have to buy business. Under the War Service Homes scheme we get that insurance business automatically.

Mr. FENTON.—There is a lot of other business which the Government would get without risk if they were to enter the insurance business. The Commonwealth Treasury is in urgent need of money today; and there is no reason, seeing that the Constitution does not prevent it, why an insurance Department should not be inaugurated. It would injure nobody in particular, and would prove a great boon to the public.

I trust that the Government will not, for the future, place the whole business of building homes for soldiers into the hands of contractors.

Mr. RODGERS.—We will tighten up the contract system in regard to time, material, and workmanship, keeping in mind the objective of turning out soldiers' homes of a first-class character.

Mr. FENTON.—The Minister may make the contracts as binding as he likes, and the specifications as clear as possible; but, unless a keen eye is kept upon the contractors themselves in the actual carrying out of the work, the soldiers will get no such homes as the Minister has just pictured.

Mr. RODGERS.—I am not keen on giving a contractor profits. The Department will supply a lot of the material, and it will be competent for workmen themselves, and for returned soldier builders, to secure contracts. I repeat that the Government will be in a position to provide the bulk of the material.

Mr. FENTON.—That is a fair proposition.

Mr. RODGERS.—As the honorable member knows, we have huge quantities on hand. We can schedule them at costs which will permit soldier builders and small contractors to secure contracts without requiring to be backed by considerable capital.

Mr. FENTON.—That sounds well; but I warn the Minister—if he needs to be warned—that the ordinary contractor is always on the lookout for as big a dividend as he can make. There is no need for the middleman in this great public project at all. I might mention that three of the members of the Public Accounts Committee came to certain conclusions, and set them forth in a dissent-

ing report. We did not believe, either in respect of the softwoods proposition in Queensland or of the hardwoods purchases in Victoria, that private individuals should be allowed to step in. We suggested that the middleman should be cut out altogether. In order to conserve the interests of the Commonwealth, and to save returned soldiers' money, we recommended that the Government should work those timber areas themselves, and cut out the middleman. There is a tendency, and it is a most immoral one, to regard the Government as fair game at all times. Because Government money is to be spent, there are people who are always keenly on the lookout for pickings. A man who would rob the Government of his country is a more despicable thief than a pickpocket. The one merely robs an individual, but the other, who puts his hand into the pockets of the State, robs everybody. An individual who would stoop so low as to filch from a returned soldier is the worst of all kinds of thieves. The day-labour system has not had a fair show. Under proper supervision it can be guaranteed to beat the contracting system every time, for the reason that it is not looking for profits. The Assistant Minister has stated that houses erected under the day-labour system cost, on an average, £97 each more than those erected by contract. I do not think the Minister could have drawn a fair comparison. It is impossible to make a convincing comparison between the two systems unless the houses have been built in the same locality, upon an exactly similar type of land, with building costs identical, and employing the same material.

I wish to know whether the Savings Banks of the various States are now to be invited to come in? There was good reason for the Commonwealth Bank taking up the building of soldiers' homes. After the Government had decided to hand over the work to the Savings Banks of the various States, and when the proposal was first made to the Commissioners of those institutions, the first thing they pointed out was that they would require to be paid certain fees. The reason why the Government broke off negotiations with the State Savings Bank Commissioners in Victoria and New South Wales

was that the Governor of the Commonwealth Bank pointed out that his institution was operating throughout the Commonwealth, and was prepared to take on the work without requiring any fees to be paid. Sir Denison Miller said, "All we propose to charge is such sums as may be fairly and reasonably chargeable for our services." The Government perceived that, by linking up with the Commonwealth Bank and abandoning negotiations with the State Savings Banks, they would be saving some thousands of pounds per annum in fees alone. Now that the Savings Bank Commissioners are to be invited to come in again, it may be presumed that these fees will have to be paid.

I am afraid that the Government are likely to be fleeced in future operations, as they have been in the past, by contractors. I say with regret and humiliation that there are contractors who have had the effrontery and the knavery to put bricks into soldiers' homes which could be crumbled with one's hands, and who have used timber which has not been up to specification. Such revelations are sufficient to turn one against the contract system for all time. I do not say, of course, that every contractor has been dishonest; but fraudulent practices were discovered in contract jobs which were never revealed in houses built under the day-labour system. Some contract-built houses, I am bound to say, have been faithfully reared; one can express nothing but praise for the work put into them. But, with respect to the day-labour system, there is no inducement to cheat the Government or the soldier, while there is every inducement to put the best material and the finest workmanship into the job. In certain contract-built houses the soldiers and their dependants have not been in residence for twelve months before the services of plasterers and carpenters have had to be requisitioned. Considering the money involved in the whole gigantic scheme, the men for whom the work is being done, and the financial state of the Commonwealth to-day, the very closest scrutiny of every penny of expenditure is demanded of the Government. I do not see how the Government and the returned soldier can get full value for their money under the contract system. I admit that the Minister (Mr. Rodgers) has put up a good case from his own point of view;

but if he intends to rely solely on contractors he will not achieve the best results for the men who fought for us and have returned.

Mr. MAKIN (Hindmarsh) [10.14].—If there is one public Department to which exception can be taken in respect of its administration it is the War Service Homes branch. Almost from its inauguration there have been evidences of great dissatisfaction because of its incompetence and administrative ineptitude. The experience in South Australia has been such as, I trust, will never be repeated. Early this year I paid special visits to Melbourne in the effort to secure finality in respect of certain applications which had been in the hands of the Department for many months. Concerning one contract, well nigh two years had passed, and the matter had not even then reached the stage of signing the contract. The scathing indictment of the Government's administration of this Department is amply justified and cannot be effectively answered. We have now the spectacle of the Government, who acknowledge their incompetence and admit that they have been on the wrong track, and a further policy is submitted no doubt with the idea of covering up some of their previous mistakes. But, in my opinion, this change will lead to even worse blundering than has happened in the past. These men of business acumen! These heaven-born administrators!

Mr. HILL.—Where are they?

Mr. MAKIN.—Not on the Treasury bench. And the affairs of this country will never be placed on a true business basis and the best interests of the people conserved until the party now in Opposition is intrusted with the responsibility of Government. I have risen mainly to protest against the existing condition of the saw-mills purchased by the Commonwealth Government in Queensland in September last. For the last four or five months these mills have been at a standstill, whilst all the neighbouring saw-mills have been working at their full capacity. I feel sure that had Mr. Lahey continued to be the owner of the saw-mills which the Government purchased from him, they would have been working continuously during the last nine or ten months, and there would have been no

unemployment amongst the men engaged in the industry. The Government are indebted to that gentleman to an amount of £243,000 in respect of the areas and mills purchased from him, and to Mr. Brett to a further amount of £220,000 for certain areas, and plant acquired from him. But for some unexplained reason these enterprises have been closed down for the last four or five months. Much credit is to be given to the Brisbane *Daily Standard* in drawing public attention to this scandalous state of things. Mr. Lahey was asked by a representative of the Brisbane *Daily Standard* whether, if those areas had been under his control, they would have been idle, and he replied, "Certainly not." As the Government had to complete certain contracts when they took over the mills from Mr. Lahey, it is incumbent upon the Minister to explain why work at those mills has not been proceeding. It is quite evident that the interests of the Commonwealth have been subordinated to private business interests, and the statement made by the Minister (Mr. Rodgers) last night that the day-labour system of house construction is to give place to the contract system is evidence of the fact that business interests have made their representations, and their dictation is to be obeyed by the loyal servants who now represent them on the Treasury bench. The statement that the failure of the day-labour system is responsible for this complete change of policy is a mean and paltry excuse. It appears to be the policy of the Government to, at all times, disparage the working man, and throw upon his shoulders the responsibility for any blunders in public Departments. The working men will amply justify their part in this scheme, but it will be difficult for the Government to defend theirs. Their change of policy is evidence that the Government desire to conserve, not so much the interests of the soldiers and the people generally, but rather the interests of private enterprise. They have again shown their incompetence, and that they have not sufficient acumen to control the destinies of the Commonwealth and promote the best interests of its citizens.

Mr. CAMERON (Brisbane) [10.23].—During the time I have been a member of this House no Government activity has been more frequently debated than that

of repatriation in all its phases, including War Service Homes, land settlement, and so forth. I have always held the opinion that the petty activities of party politics should find no place in a debate relating to the welfare of the returned soldiers, and I feel sure that that opinion would be indorsed unanimously by the House and the country. I awaited anxiously the statement made by the Assistant Minister (Mr. Rodgers) last night, and I now feel confident that better times are in store for soldiers requiring homes. The Minister stated quite clearly what the future programme of the Government will be. I remind the honorable member for Hindmarsh (Mr. Makin), that in regard to repatriation there were no blazed trails and no precedents. That is a fact we should not overlook. Experiments had to be made, and mistakes were also made. There have been deplorable instances of bungling in carrying into effect the efforts of a grateful nation on behalf of its sons who served overseas and their dependants. As other honorable members desire to take part in the debate I will not detain the House, beyond indorsing the remarks of the honorable member for Illawarra (Mr. Hector Lamond) in regard to land settlement. I wish to impress upon the Government that it is just as necessary that an investigation should be held into soldier settlements as it was that the work of the War Service Homes Commission should be inquired into. There is no doubt that whilst there have been successes in some soldier settlements, there have been also failures and a great deal of disappointment, and I trust that the Government will take the earliest opportunity of consulting with the various State Governments to see if anything can be done to improve the conditions of soldier settlers.

Mr. LIVINGSTON (Barker) [10.27].—Whatever else we may do, we may very well congratulate the Assistant Minister (Mr. Rodgers) upon all that he has done for soldiers since the outbreak of war. There is not a hamlet in the whole of his district in which he has not formed a committee and established a fund for the benefit of local soldiers on their return from the Front. I do not think that any country has ever done so much for its soldiers as has Australia. In regard to a large undertaking like the War Service

Homes, if some mistake had not been made it would have been strange. A good many mistakes have been made, but it is better to make mistakes than not to try at all. I have yet to meet the man who makes no mistakes. I have a little fault to find with the Department in regard to the making of valuations. Local Committees have been appointed in all towns, but their valuations have been absolutely ignored. I heard one honorable member say that it was difficult to trust them. But, if the Local Committees cannot be trusted, I do not know who can. There are District Committees throughout South Australia whose experience and knowledge are available to the Department, and I am sorry that their assistance is not availed of as it should be. I hope that in future the District Committees will be asked for their valuations of land. Fortunately, in my own district, the valuations of cottages have been all right, and, in some cases, the committee have recommended the purchase of estates that were both good and cheap. People do not want to make money out of the soldiers. I would not like to see any man in my district try to make money out of any scheme for the assistance of the soldiers.

Dr. MALONEY.—There are plenty of parasites in the big cities.

Mr. LIVINGSTON.—I do not know anything about them, but we should endeavour to train the rising generation to leave the cities. Provide roads, telephonic communication, and other facilities, and the people will go into the country.

Mr. BLAKELEY.—Cut up the large estates in the Mount Gambier district.

Mr. LIVINGSTON.—We have already cut up very many of the large estates in that district, and it is capable of absorbing many more settlers. There is plenty of land in the country districts of Australia, and it is idle to talk about half an acre of land being sufficient for the settlement of a soldier. Personally I would not have any house built on land of less than an acre or two acres in extent. Honorable members, instead of squabbling and fighting for the Treasury benches, ought to be uniting their efforts in the great work we have undertaken. We have a territory, possibly the finest within the Empire, unpeopled simply for the lack of a

few hundred miles of railway. Turning to another phase of the question, I do not see why a soldier should not be able to buy his own house if he desires to, and I believe he could do so much more cheaply than by waiting until, perhaps, a larger house is built for him. I congratulate the Assistant Minister on the stand he has taken in regard to the contract system, because it is eminently desirable that the soldier should know exactly how much he has to pay. The honorable member for Hunter (Mr. Charlton), who is an honest and reliable man, has told us that in the case of houses built under the contract system he has known the bricks used to crumble in the hand, and that, of course, is extremely unfair to the soldier. I am certain that if such a thing occurred, the Assistant Minister did not know of it or he would have quickly put things right. The honorable gentleman is very much in earnest in his work, and is visiting all the States with a view to seeing that the fair thing is done. We are all extremely proud of our soldiers for paying up as they are doing for their homes; and my opinion is that, long before the time has expired, no money will be owing. In any case, if the soldiers do get backward in their payments, I hope they will not be harassed in any way, for they cannot run away with the land, and even if they do not pay for it, they will improve it and prove themselves valuable citizens. They ought to be helped in every possible way, and so long as they continue to live on the land, they ought not to be interfered with.

Mr. PARKER MOLONEY (Hume) [10.35].—I wish to give my impression of the speech which the Assistant Minister (Mr. Rodgers) made last night, though it is hard to understand it from the point of view of a Ministerial statement. It was from beginning to end a condemnation of the work of the Minister associated with him.

Mr. RODGERS.—That is a most unfair and unwarranted statement!

Mr. PARKER MOLONEY.—If the honorable gentleman reads his own speech he will see that what I say is a fair interpretation of it.

Mr. RODGERS.—I have re-read my statement as a matter of obligation, and I take exception to that remark of the honorable member.

Mr. PARKER MOLONEY.—The honorable gentleman said that the administration had been faulty and inexcusable; and whose administration is it but that of the Minister associated with him?

Mr. RODGERS.—I think that is an unfair statement, and I ask the honorable member not to repeat it.

Mr. PARKER MOLONEY.—The honorable gentleman may make his speech over again if he chooses; I am now referring to what he said last night, and there is no doubt that his words were a condemnation of the administration of this Department. I know of only two Ministers associated with the Department during the period over which his remarks had reference, and those are the Minister in another place and himself. That was the impression on my mind, and I regarded it as a kind of speech which can only be criticised as a candid statement of one who found the administration faulty, and "stood up" to the fact. But what I complain of is that the Assistant Minister tried to rid himself of responsibilities by throwing the blame for the bungling on a system which he described as the day-labour system. It is characteristic of some Governments, when they find themselves in a position of this kind, to blame their opponents; and we of the Labour party often find people attempting to throw responsibilities for their own wrong-doing on this side of the House. The Assistant Minister complained of the day-labour system, but I may tell him that his remarks were diametrically opposed to those made by the Minister, Senator E. D. Millen himself at the opening of the cottages in the Coburg district. I happen to have with me the copy of the *Argus*, in which there is a report of the remarks of Senator E. D. Millen, who contrasted the day-labour system with the contract system; and I wish to put those remarks on record as an answer to those made by the Assistant Minister last night. According to the *Argus*—

Referring to the system of day labour as against contract labour, Senator E. D. Millen said that he had always been against day labour, and when the Commonwealth scheme was launched the one idea was that the contract system should be adopted. The contractors, however, were not willing to tender within the price fixed by the Act, and the Commission undertook the work. The average cost of the cottages at Bell was £695 11s. 5d. each, including the land. Originally tenders were called for the erection of the homes, and the prices offered ranged from £720 to

£900, exclusive of the cost of the land. The actual cost of the homes included land, fencing, reticulation, wiring, and the provision of all necessary accessories. The frontages were from 46 to 69 feet, with an average depth of 111 feet, and the soldiers who were fortunate enough to take possession would pay a rent up to 18s. 6d. weekly, including rates and insurance.

Mr. JOWETT.—Where are those houses situated?

Mr. PARKER MOLONEY.—That statement was made at the opening of the cottages at Bell, to which the honorable member for Grampians and other honorable members were invited. It is a complete answer to the statement made by the Assistant Minister when he endeavoured to throw the responsibility for the shortcomings of his Department on to the day-labour system. The correct thing for the Assistant Minister to do would be to accept the responsibility for the bungling that has been going on. He could not say that a Labour Government was to blame, and so he sought to prove that the difficulty had arisen in consequence of effect being given to one of the planks of the platform of the Labour party. As a rule the Assistant Minister is very fair, but in his speech last night he blamed the system, which was unjust. The Minister for Repatriation, in the speech which I quoted, proves conclusively that the statement made by the Assistant Minister last night was incorrect.

Mr. RODGERS.—The Minister for Repatriation used figures supplied to him. The weakening came in January, when the completed cost was £835.

Mr. PARKER MOLONEY.—The figures I have quoted were for completed cottages, including the land. It is only fair to compare completed cottages, including land. Those constructed under the contract system did not include the land, and showed a margin of £200 in favour of the day-labour system.

Mr. FRANCIS (Henty) [10.43].—It is very gratifying to have a statement from the Assistant Minister for Repatriation (Mr. Rodgers) concerning the administration of the Department. The statements I made, when Parliament first assembled, have proved to be correct, as the costs have proved to be much higher than were anticipated. Since then the Government have increased the amount from £700 to £800, and even now it has

been found very difficult to proceed as we desire. The conditions which have prevailed recently have hampered the Department to a great extent; but notwithstanding the difficulties, I believe the Department could have rendered better service. As a result of the unusual circumstances, many honorable members have been placed in a difficult position in endeavouring to make a satisfactory explanation to their constituents. The Assistant Minister has said that it is now considered necessary to call in the assistance of outsiders in order to place the work of the Department on a sound basis. So far as my experience goes, I believe that the rank and file of the Department have rendered good service, all of them earnestly desiring to assist those with whom they fought on the other side of the world. There are houses in my district that have taken twelve months to construct, and if soldiers have to wait for an unreasonable time before their requests are complied with, dissatisfaction will continue. The introduction of the contract system may be a means of expediting the work, but I cannot understand why the Department decline to purchase unoccupied houses already constructed, that is, if they have been built by reputable contractors. Financial institutions are prepared to operate on this basis, and the Department should institute a method of purchasing on a similar system, provided that the houses are valued by experts. I do not agree with the Assistant Minister when he says that houses can be built cheaper under the contract system, because dwellings built under the day-labour system, if properly supervised, are better than those built by contract. As I understand the Government wish to bring forward new business, I shall not discuss the general administration of the Department further; but I trust the new programme will prove of benefit to the large number of men who are still waiting for homes.

Question resolved in the affirmative.

POST AND TELEGRAPH BILL (1921).

Motion (by Mr. WISE) agreed to—

That leave be given to bring in a Bill for an Act to amend the Post and Telegraph Act 1901-16.

Bill presented, and read a first time.

SECOND READING.

Mr. WISE. (Gippsland—Postmaster-General) [10.51].—(By leave).—I move—

That this Bill be now read a second time.

This is a Bill to make two amendments in section 18 of the Post and Telegraph Act 1901-16. Section 17 of the principal Act provides that—

The principal railway official of every State, or the owner, controller or manager of any railway or tramway in any State, shall carry mails on any train run upon the railways or tramways under his control if required by the Postmaster-General so to do, and shall provide all usual facilities for the receipt, carriage and delivery of all mails that he is required to carry.

Section 18 provides that—

The Postmaster-General shall pay to the principal railway official of each State, or to the owner, controller or manager of any railway or tramway in any State, as the case may be, such annual sum for the receipt, carriage and delivery of mails and for all facilities provided in connexion therewith as may be agreed upon and in default of agreement as may be settled by arbitration . . .

Unfortunately, that provision does not lay down the basis upon which payment is to be made. Prior to Federation both Departments were controlled by the States, and it was merely a case of taking the money out of one pocket and putting it into the other, and, therefore, the amount debited to the Post Office by the Railways for the carriage of mails was upon a purely arbitrary basis. No particular care was taken in determining the amount that should actually be so debited. With the inauguration of Federation it was agreed that the amount to be paid the State Railway Departments should be equal to the total amount that had been paid by the individual States. Between 1901 and 1907, the Railways pressed for increased payment for carriage of mails, but their requests were not based on any evidence of cost of service, and the Postal Department strongly resisted their demands. In 1907, however, as the result of a conference between the parties, it was agreed that the Post Office should make payment of a lump sum of £275,000 per annum for conveyance of mails by railway. The Railway authorities were empowered to devise a scale which would apportion this £275,000 between the States in about the proportion which each State had received of the

original £234,000. The apportionment was on a line-mileage scale. In 1908, an agreement was entered into to cover a period of eight years, payment to be computed on the scale to which I have referred. That agreement terminated in 1916. A conference was then held between the Railway authorities and the Postmaster-General, with a view to the preparation of a fresh arrangement. Agreement was reached on practically all the points at issue except the rate of payment. The Railways insisted that in any negotiation the amount then paid should be taken as the minimum basis. The Postal Department, however, contended that the then existing rate was excessive. Failing agreement the matter was submitted to arbitration under section 18 of the Post and Telegraph Act, and it was mutually agreed that the Inter-State Commission should act as arbitrator. The Department contended before the Commission that payment for carriage of mails should be in relation to cost of service. The Commission, in a majority report, awarded that the annual sum to be paid by the Postmaster-General to the principal railway official in each State should be 50 per cent. of the scheduled State railway rates for parcels, intra and Inter-State, in force on 1st January, 1917. In other words, it was decided that the highest rate for the carriage of goods by the Railway Departments should be adopted. The reason why 50 per cent. of the rates was fixed upon was that, in handling parcels, the railways were involved in services such as booking, &c., which did not apply to mails. The award was made binding for only one year. The Chief Commissioner, in a minority report, disagreed with this finding, contending that the payment to the railways should represent the amount incurred in giving the service. He concluded his finding, as follows—

(1) The State Governments would be acting in contravention of law if they taxed the mails by classifying them as commodities in their schedules of railway rates.

(2) That the Arbitrators ought not to do indirectly for the States what it would be illegal for the States to do directly.

(3) That it was contemplated by Parliament that the State railways should perform with the Federal Post Office the joint service of mail carriage on the basis of being recouped for expense.

Mr. Wise.

(4) That the only evidence before the Arbitrators by which they can evaluate the expense of carrying the mails is that of the ton-mile cost on all traffic, which must therefore be taken as a basis.

In order to determine the amount of payment to be made to the Railway Department in accordance with the award, the weights of mails consigned by rail were taken in March, 1918. On these weights, payment was computed at the rate of £184,296 per annum. The State Railways were paid at this rate from 1st January, 1917, to 31st December, 1920, plus £7,500 per annum for conveyance of second class overseas mail matter. In October, 1920, the mails were again weighed. The weights taken, computed at half parcels rates operating on 1st January, 1917, would involve payment at the rate of £230,683 per annum, an increase of £46,387 per annum. The railways declined to accept payment as from 1st January, 1921, on the basis of the parcels rates operating on 1st January, 1917, demanding that it should be computed on the parcels rates operating on 1st January last. If payment were so made, on the weighings of October, 1920, an amount of £352,956 per annum would be involved. The Postal Department, therefore, would have to pay £168,660 per annum more than the amount determined under the award—an increase of approximately 91 per cent. In addition to that, we would be at the entire mercy of the Railway Departments of the various States, since they could determine from time to time what increase in their railway charges should be made. It is not possible for a mutual agreement to be arrived at, and it is necessary, therefore, to go to arbitration again. In order that there may be laid down a basis upon which the arbitrators shall act, we propose to amend section 18 of the principal Act by omitting therefrom the words "the receipt, carriage, and delivery of mails, and for all facilities provided in connexion therewith," and inserting in their stead the words "rendering any service required in pursuance of the last preceding section." It is also proposed to insert after the word "arbitration" in section 18 the words "on the basis of the actual expense estimated to have been incurred in rendering such service." I hope the motion will be agreed to.

Mr. CHARLTON (Hunter) [10.59].—This is a very necessary measure. We have been paying large sums to the State Railway Departments for the carriage of our mail-matter, and this Bill merely proposes to amend the principal Act in order that a definite basis may be laid down for the guidance of the arbitrators. I know of no better way of settling a dispute between the States and the Commonwealth than by reference to arbitration, and, that being so, I shall not discuss the question further.

Mr. GREGORY (Dampier) [11.0].—Although I am pleased to facilitate the passage of a Bill of this character, it seems rather strange that the Postmaster-General should be prepared to submit the question of what the Government should pay for the carriage of its mails to arbitration, but at the same time desire to lay down the conditions under which the arbitrators shall bring in their verdict.

Mr. GROOM.—No; the basis.

Mr. GREGORY.—The Minister for Trade and Customs (Mr. Greene) speaking the other night advocated the charging of a profit of 20 per cent. on importations; but are we to understand that the States are to be reimbursed only the actual expenditure that they incur in the carriage of mails, and are to be allowed no profit? That strikes me as unfair.

Sir JOSEPH COOK.—They will get only such profit as will give a return for the services rendered.

Mr. RICHARD FOSTER.—The Commonwealth had a good thing, but was not satisfied.

Mr. GREGORY.—The Commonwealth had its own arbitrators, but insisted on haggling over this matter, until in the end it had to give way.

Question resolved in the affirmative.

Bill read a second time, and reported without amendment; report adopted.

Bill (by leave) read a third time.

SHALE OIL BOUNTY BILL.

Message recommending appropriation reported.

Referred to Committee of Supply forthwith.

In Committee (Consideration of Governor-General's message):

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.4].—I move—

That it is expedient that the appropriation of revenue made by the Shale Oil Bounty Act 1917 be made available for the purposes of a Bill for an Act to amend the Shale Oil Bounty Act 1917.

The object of the Bill is to enable this bounty to be paid for another twelve months. The sum of £270,000 was voted by Parliament for this bounty, and only £84,000 of it has been spent; but, as the Act will expire by effluxion of time before the House re-assembles after the proposed adjournment, it is necessary to get parliamentary sanction for the continuance of the bounty for another year, during which the whole matter can be reviewed. We propose nothing fresh, and merely ask leave to spend the money that has been voted.

Question resolved in the affirmative.

Resolution reported.

Standing orders suspended, and resolution adopted.

Ordered—

That Mr. Greene and Mr. Groom do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Mr. GREENE, and read a first time.

ADJOURNMENT.

BUSINESS OF THE HOUSE—WAR PENSION.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.6].—I move—

That the House do now adjourn.

I should have liked to continue for another half-hour to-night to put through the Bill which has just been introduced.

Mr. McWILLIAMS.—Why not go on with it?

Mr. CHARLTON.—We object to going further to-night.

Sir JOSEPH COOK.—There is nothing controversial in the Bill. Tomorrow, a series of public works proposals, which, if agreed to, will give a great deal of work, is to be considered, and we shall be jambled if we do not get rid of some of these formal matters to-night. Every one knows the Friday-morning mood of the House, when members are generally a little strung up, and not too amiable. I hope that I shall not

be blamed if some things that honorable members wish cannot be done. My advice is not being taken, and I am powerless to enforce it. Therefore, I hope that members will take responsibility for what may happen. I shall do my best, but I cannot guarantee that all our proposals will be put through.

Mr. CHARLTON (Hunter) [11.9].—I cannot guarantee anything for tomorrow; but we on this side will do what we can to facilitate business, because we all wish to get away.

I did not speak on Supply, because I did not wish to occupy time then; but I have a matter which should be ventilated. It concerns a returned soldier named Bond, who has written to me fully about his case, and I have also received a letter about it from a Dr. Ross. Bond himself also wired to me last evening, asking me to mention the case in the House, as he despairs of getting justice otherwise. Bond was in receipt of a war pension, which was stopped. He says—

I was stricken with the ailment for the first time in the trenches, and prior to that I had never had the slightest symptom of the complaint. I was treated in hospital without a break for ten months for the ailment. Surgeon-General Ryan, one of our highest qualified medical officers, marked on my papers that the disability was attributable to war service, and assessed the disability at 100 per cent. for pension purposes. This I know, that had I been examined by civilian doctors, the pension would never have been taken away. Only to-day I had a consultation with Dr. Rosenberg, of Manly, a returned soldier. He said that it was a scandalous decision, and he would have no hesitation in putting it down to a war disability.

The Department said that this man had inherited the disability from the Boer war; but he positively declares that he was never at or near the Boer war, and

that the sickness first occurred in the trenches in France. It is a mystery to me how the Department can say that the disability originated in South Africa, seeing that the man was first examined here for active service, and was passed, and was then sent to France, and was subsequently examined and classed as a 100 per cent. disability for pens on purposes. The writer continues—

As I told you before, no doctor examined me prior to the pension being taken away.

What I urgently desire to know is how and why the Department can stop these pensions without even having the person concerned medically examined.

S'r GRANVILLE RYRIE.—It cannot be done, and is not done.

Mr. CHARLTON.—This man says it was done. When his case was brought up he had to undergo an examination by a doctor, or by two medical officers who were directly under the medical officer who had previously examined him—that is to say, after his pension had been cut off.

S'r GRANVILLE RYRIE.—The only examination practicable is the examination by a medical Board.

Mr. CHARLTON.—Those two medical officers could not be expected, of course, to come to a decision in opposition to that of their chief. This matter has been before the Assistant Minister (Sir Granville Ryrie) before, and all I desire is that it shall be given further consideration.

S'r GRANVILLE RYRIE.—If the honorable member will let me have the letter, and any additional particulars he may possess, I shall go into the case.

Question resolved in the affirmative.

House adjourned at 11.13 p.m.

Members of the House of Representatives.

Speaker—The Honorable Sir Elliot Johnson, K.C.M.G.

Chairman of Committees—The Honorable John Moore Chanter.

Anstey, Frank .. Bourke (V.)	Hughes, Right Hon. William Bendigo (V.)
3 Atkinson, Llewelyn .. Wilmot (T.)	Morris, P.C., K.C.
7 Bamford, Hon. Frederick Herbert (Q.)	Jackson, David Sydney .. Bass (T.)
William	Johnson, Hon. Sir Elliot, Lang, (N.S.W.)
Bayley, James Garfield .. Oxley (Q.)	K.C.M.G.
Bell, George John, C.M.G., Darwin (T.)	Jowett, Edmund .. Grampians (V.)
D.S.O.	5 Kerby, Edwin Thomas Ballarat (V.)
Best, Hon. Sir Robert Kooyong (V.)	John
Wallace, K.C.M.G.	Lamond, Hector .. Illawarra (N.S.W.)
Blakeley, Arthur .. Darling (N.S.W.)	Lavelle, Thomas James .. Calare (N.S.W.)
Blundell, Hon. Reginald Adelaide (S.A.)	Lazzarini, Hubert Peter .. Werriwa (N.S.W.)
Pole	Lister, John Henry .. Corio (V.)
Bowden, Eric Kendall .. Nepean (N.S.W.)	Livingston, John .. Barker (S.A.)
Brennan, Frank .. Batman (V.)	Mackay, George Hugh .. Lilley (Q.)
Bruce, Stanley Melbourne Flinders (V.)	8 Mahon, Hon. Hugh .. Kalgoorlie (W.A.)
M.C.	Mahony, William George .. Dailey (N.S.W.)
Burchell, Reginald John Fremantle (W.A.)	Makin, Norman John Hindmarsh (S.A.)
M.C.	Oswald
Cameron, Donald Charles Brisbane (Q.)	Maloney, William .. Melbourne (V.)
C.M.G., D.S.O.	Marks, Walter Moffitt .. Wentworth (N.S.W.)
Catts, James Howard .. Cook (N.S.W.)	Marr, Charles William Parkes (N.S.W.)
Chanter, Hon. John Riverina (N.S.W.)	Clanan, D.S.O., M.C.
Moore	Mathews, James .. Melbourne Ports (V.)
Chapman, Hon. Austin .. Eden-Monaro	Maxwell, George Arnot .. Fawkner (V.)
	1 McDonald, Hon. Charles .. Kennedy (Q.)
3 Charlton, Matthew† .. Hunter (N.S.W.)	6 McGrath, David Charles .. Ballarat (V.)
4 Considine, Michael Patrick Barrier (N.S.W.)	McWilliams, William James Franklin (T.)
Cook, Right Hon. Sir Parramatta (N.S.W.)	Moloney, Parker John .. Hume (N.S.W.)
Joseph, P.C., G.C.M.G.	Nicholls, Samuel Robert .. Macquarie (N.S.W.)
Cook, Robert .. Indi (V.)	Page, Earle Christmas Cowper (N.S.W.)
Corser, Edward Bernard Wide Bay (Q.)	Grafton
Cresset	10 Page, Hon. James .. Maranoa (Q.)
Cunningham, Lucien Gwydir (N.S.W.)	Poynton, Hon. Alexander Grey (S.A.)
Lawrence	O.B.E.
Fenton, James Edward .. Maribyrnong (V.)	Prowse, John Henry .. Swan (W.A.)
3 Fleming, William Mont-Robertson (N.S.W.)	Riley, Edward .. South Sydney
gomerie	(N.S.W.)
9 Foley, George James .. Kalgoorlie (W.A.)	Rodgers, Hon. Arthur Stanislaus Wannon (V.)
Foster, Hon. Richard Wakefield (S.A.)	Ryan, Hon. Thomas West Sydney
Witty	Joseph, K.C. (N.S.W.)
2 Fowler, Hon. James Perth (W.A.)	Ryrie, Sir Granville de North Sydney
Mackinnon	Laune, K.C.M.G., O.B. (N.S.W.)
Francis, Frederick Henry Henty (V.)	Smith, Hon. William Denison (T.)
Gabb, Joel Moses .. Angas (S.A.)	Henry Laird
Gibson, William Gerrard Corangamite (V.)	Stewart, Percy Gerald .. Wimmera (V.)
Greene, Hon. Walter Richmond (N.S.W.)	Story, William Harrison .. Boothby (S.A.)
Massy	Tudor, Hon. Frank Gwynne Yarra (V.)
Gregory, Hon. Henry .. Dampier (W.A.)	3 Watkins, Hon. David .. Newcastle (N.S.W.)
Groom, Hon. Littleton Darling Downs (Q.)	Watt, Right Hon. William Balaclava (V.)
Ernest	Alexander, P.C.
Hay, Alexander .. New England	West, John Edward .. East Sydney
	(N.S.W.)
Higgs, Hon. William Guy Capricornia (Q.)	Wienholt, Arnold .. Moreton (Q.)
Hill, William Caldwell .. Echuca (V.)	Wise, Hon. George Henry .. Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees, 4th March, 1920.—4. Made affirmation, 5th March, 1920.—5. Election declared void, 2nd June, 1920.—
 † Sworn 11th May, 1920.—6. Elected 10th July, 1920. Sworn 21st July, 1920.—7. Appointed Temporary Chairman of Committees, 18th May, 1920.—8. Expelled and seat declared vacant, 12th November, 1920.—
 9. Elected 18th December, 1920. Sworn 6th April, 1921.—10. Deceased reported, 3rd June, 1921.

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House of Representatives—W. A. Gale, C.M.G.

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* Appointed 14th April, 1921.

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Resigned 12th May, 1921.—† Appointed 19th May, 1921.—‡ Deceased reported 3rd June, 1921.